



AGENDA
BENTON COUNTY PUBLIC UTILITY DISTRICT NO. 1
REGULAR COMMISSION MEETING

Tuesday, December 9, 2025, 9:00 AM
2721 West 10th Avenue, Kennewick, WA

The meeting is also available via MS Teams
The conference call line (audio only) is:
1-323-553-2644; Conference ID: 649 302 643#

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Agenda Review**

4. Public Comment

(Individuals desiring to provide public comment during the meeting on items relating to District business, whether in person or remotely will be recognized by the Commission President and provided an opportunity to speak. Comments are limited to five minutes. Public Comment can also be sent to the Clerk of the Board in advance of the meeting at commission@bentonpud.org. Guidelines for Public Participation can be found on the Benton PUD District website at <https://www.bentonpud.org/About/Commission/Meeting-Agendas-Minutes>.)

5. Treasurer's Report

pg. 3

6. Approval of Consent Agenda

(All matters listed within the Consent Agenda have been distributed to each member of the Commission for reading and study, are considered routine, and will be enacted by one motion of the Commission with no separate discussion. If separate discussion is desired by any member of the Commission, that item will be removed from the Consent Agenda and placed on the Regular Agenda by request.)

Executive Administration/Finance

a. Minutes of Commission Public Hearing of November 12, 2025	pg. 7
b. Minutes of Regular Commission Meeting of November 25, 2025	pg. 14
c. Travel Report dated December 9, 2025	pg. 22
d. Vouchers dated December 9, 2025	pg. 23
e. Community Engagement Update – 2025	pg. 42

Operations/Engineering

f. Jobs Report for Commission – Up to \$100,000	pg. 44

Procurement

g. Magnum Electric, LLC – Recommendation to Award - Sunheaven #3 Substation Civil construction Project - Bid #25-21-29	pg. 50
h. SEL Engineering Services, Inc – Berrian Tap Capacitor Control Replacement - Contract #25-21-31	pg. 67
i. Electrical Consultants, Inc. - Consulting and Design – Sunset-Dallas Road Transmission Line - CO#4 – Contract #22-21-209	pg. 99
j. Cooperative Response Center, Inc. (CRC) CO#3 - Contract #22-33-01	pg. 101
k. Lampson International, Inc. – CO #6 - Contract #20-21-01	pg. 103
l. Approval of the 2026 Prequalification of Contractors - Resolution No. 2717	pg. 105

7. Management Report

8. Business Agenda

- a. Cancel December 23, 2025 Regular Commission Meeting – C. McKenzie pg.115
- b. Designation of Representatives-Various Organizations for 2026—C. McKenzie pg.116
- c. Election of Officers - 2026 – C. McKenzie pg.121
- d. RFP Contract Award-Caely Renewables US LLC. -#25-45-114 (A) – C. Johnson pg.122
- e. RFP Contract Award-3Degrees Group, Inc. -#25-45-114 (B) - C. Johnson pg.190
- f. Northwest Open Access Network (NoaNet) – Network Coordinated Services –
Change Order #4 – Contract #23-46-21 - C. Folta pg.259
- g. 2026 Business Affiliations List – K. Mercer pg.262
- h. Resolution No. 2715 Adopting the 2026 Budget – K. Mercer pg.272
- i. Authorization to Proceed with Developing Plans for Issuance
of Bonds – K. Mercer pg.277
- j. Resolution No. 2716 Amending Retail Electric Rate Schedules – K. Mercer pg.281

9. Other Business

10. Future Planning

11. Meeting Reports

12. Executive Session

13. Adjournment

(To request an accommodation to attend a commission meeting due to a disability, contact dunlapk@bentonpud.org or call (509) 582-1270, and the District will make every effort to reasonably accommodate identified needs.)

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON CO., WA.

TREASURER'S REPORT TO COMMISSION FOR NOVEMBER 2025

Dec 1, 2025

Final

REVENUE FUND:

	RECEIPTS	DISBURSEMENTS	BALANCE
11/01/25 Cash Balance			\$ 3,248,943.53
Collections	\$ 10,253,447.87		
Bank Interest Earned	5,133.45		
Investments Matured	10,492,325.77		
Miscellaneous - BAB's Subsidy	-		
Transfer from Debt Service Fund	-		
EFT Taxes		\$ 422,342.94	
Checks Paid		382,615.87	
Debt Service to Unrestricted		-	
Debt Service to Restricted		508,285.77	
Investments Purchased		6,122,709.23	
Deferred Compensation		197,555.93	
Department of Retirement Systems		160,504.55	
Purchase Inv		-	
Special Fund-Construction Funds		-	
Purchased Power		7,254,591.40	
Direct Deposit - Payroll & AP		4,999,715.37	
Credit Card Fees		39,028.47	
Miscellaneous - Purchase interest on an investment		3,931.27	
Sub-total	\$ 20,750,907.09	\$ 20,091,280.80	
11/30/25 Cash Balance			\$ 3,908,569.82

Investment Activity	Balance 11/01/25	Purchased	Matured	LGIP Interest	Balance 11/30/25
	\$55,322,699.39	6,507,985.77	10,492,325.77	\$123,009.23	\$51,461,368.62

Check Activity	Balance 11/01/25	Issued	Redeemed	Cancelled*	Balance 11/30/25
	\$210,588.16	\$283,106.21	\$382,615.87	\$607.08	\$110,471.42

Unrestricted Reserves:	11/01/25	11/30/25	Change
Minimum Operating Reserves (90 DCOH) Incl. RSA ⁽¹⁾	\$ 32,771,070.00	\$ 32,771,070.00	\$ -
Designated Reserves (Customer Deposits Account)	1,900,000.00	1,900,000.00	-
Designated Reserves (Power Market Volatility Account)	5,000,000.00	5,000,000.00	-
Designated Reserves (Special Capital Account)	10,766,308.29	10,766,308.29	-
Undesignated Reserves (Climate Commitment Act)	3,626,558.84	3,626,558.84	-
Undesignated Reserves (DCOH 2 days) ⁽²⁾	4,507,705.84	797,715.55	(3,709,990.29)
Unrestricted Reserves Total**	\$ 58,571,642.97	\$ 54,861,652.68	\$ (3,709,990.29)
DCOH - Beginning and Ending of Month	161	151	
DCOH - Year-end Projection (Unrestricted \$43.1M)	121	121	
DCOH - Year-end Projection (Construction \$0.0M)	0	0	
Restricted Reserves:			
Bond Redemption Accounts	0.00	508,285.77	508,285.77
Construction Account	0.00	0.00	-
Restricted Reserves Total	0.00	508,285.77	508,285.77
TOTAL RESERVES	\$ 58,571,642.97	\$ 55,369,938.45	\$ (3,201,704.52)

(1) RSA (Rate Stabilization Account): \$7,500,000.00

(2) Undesignated Reserves are periodically reviewed to reallocate to the Designated Reserve accounts

Prepared by: Keith Mercer
Keith Mercer, Treasurer

Certified by: Jon Meyer
Jon Meyer, Auditor

**BPA power and transmission invoices were issued later than usual, impacting the timing of payments and cash flow. The \$7.17 million September invoice was not due until November 3rd and the \$5.5 million October invoice was not due until December 2nd. These timing differences resulted in fluctuations in the month-end balances.

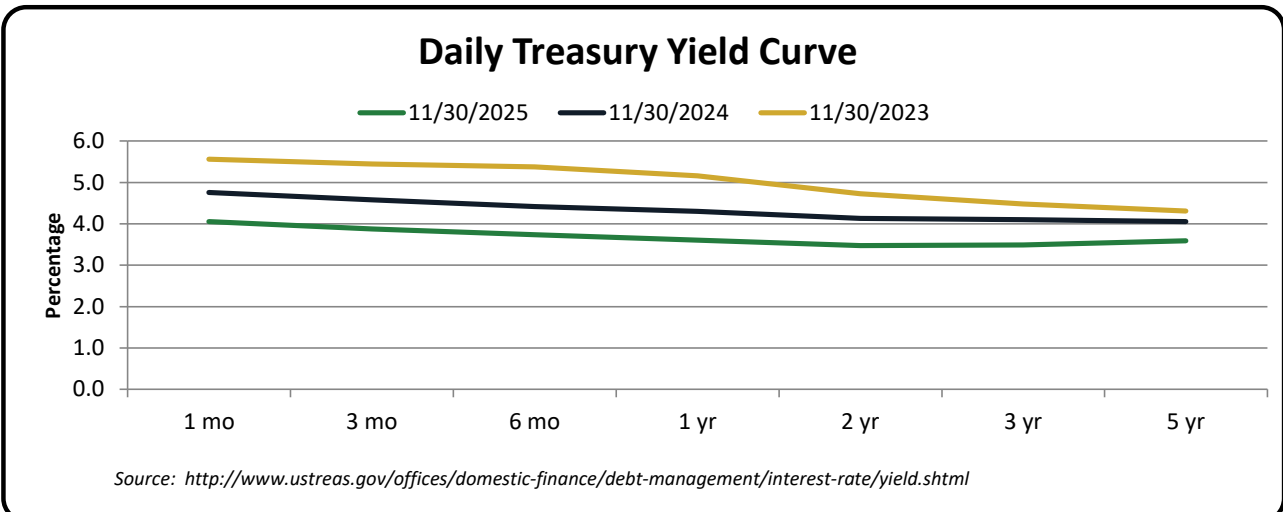
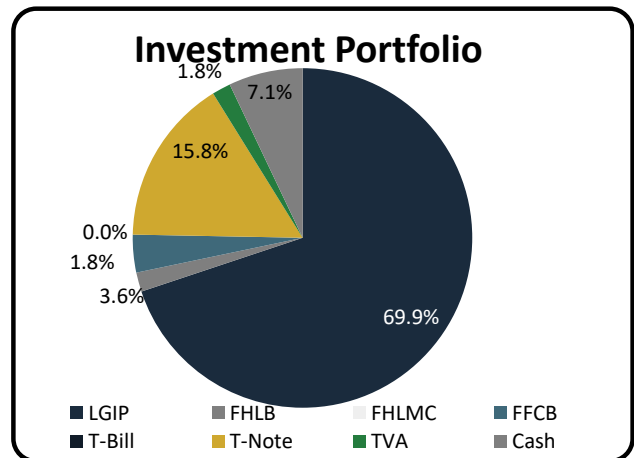
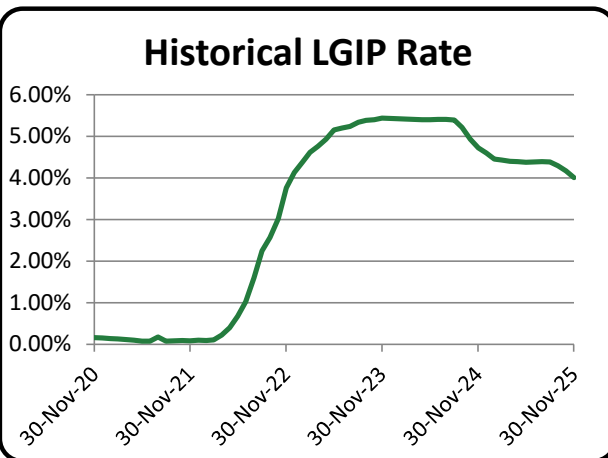
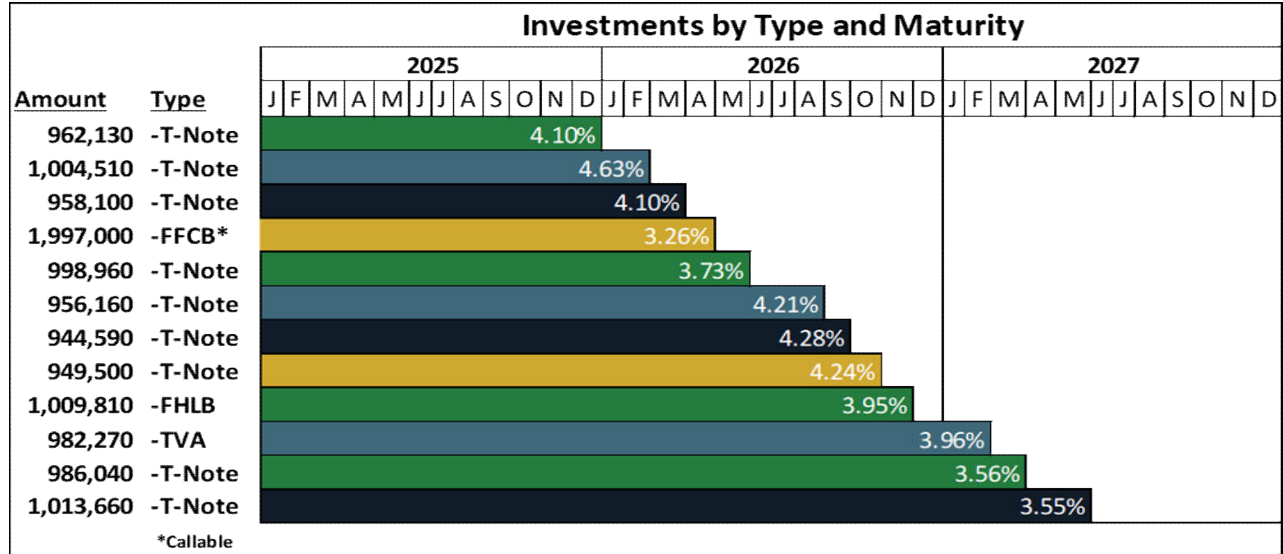
CASH & INVESTMENTS SUMMARY

as of November 30, 2025

Average Days to Maturity	64	Investments see below*	12,762,730
		LGIP**	38,698,639
Average Weighted Yield	3.985%	TOTAL INVESTMENTS	51,461,369
		CASH	3,908,570
		TOTAL CASH & INVESTMENTS	\$ 55,369,939

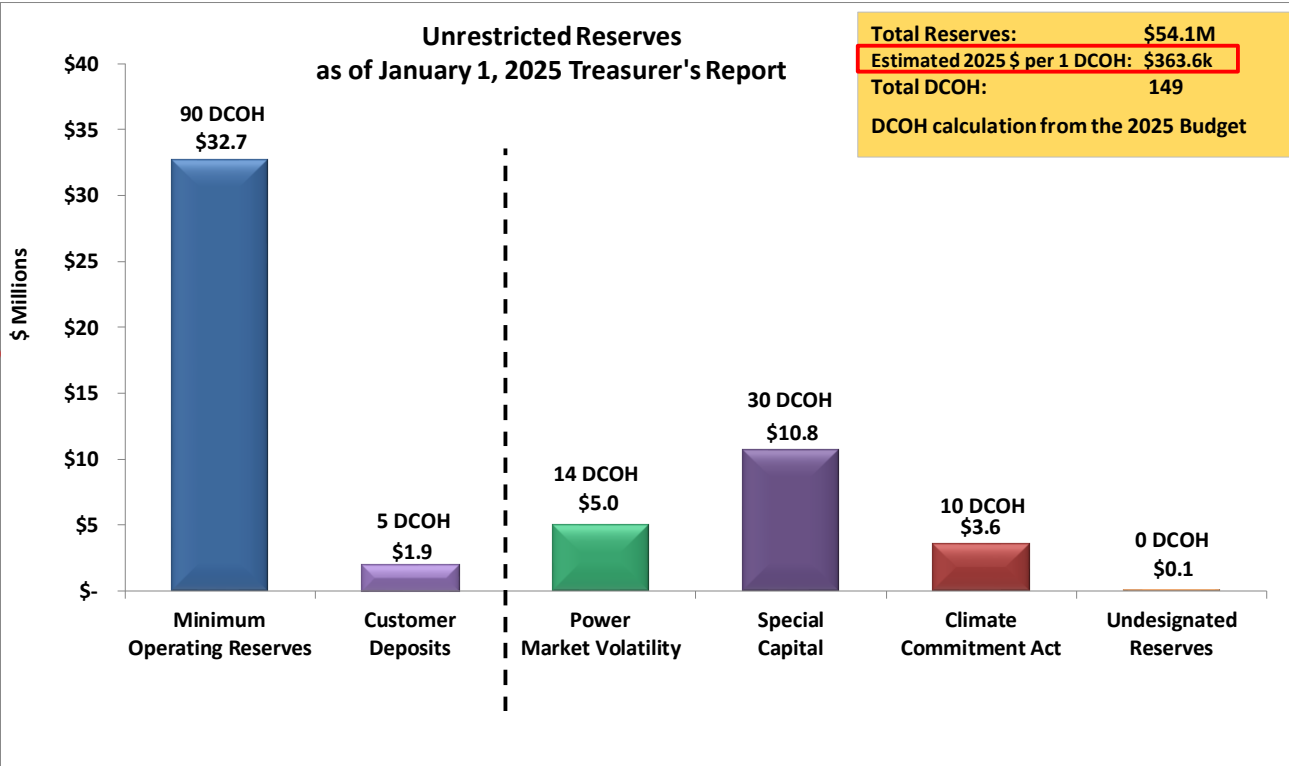
* Held in custody at Principal Financial Group

** Local Government Investment Pool

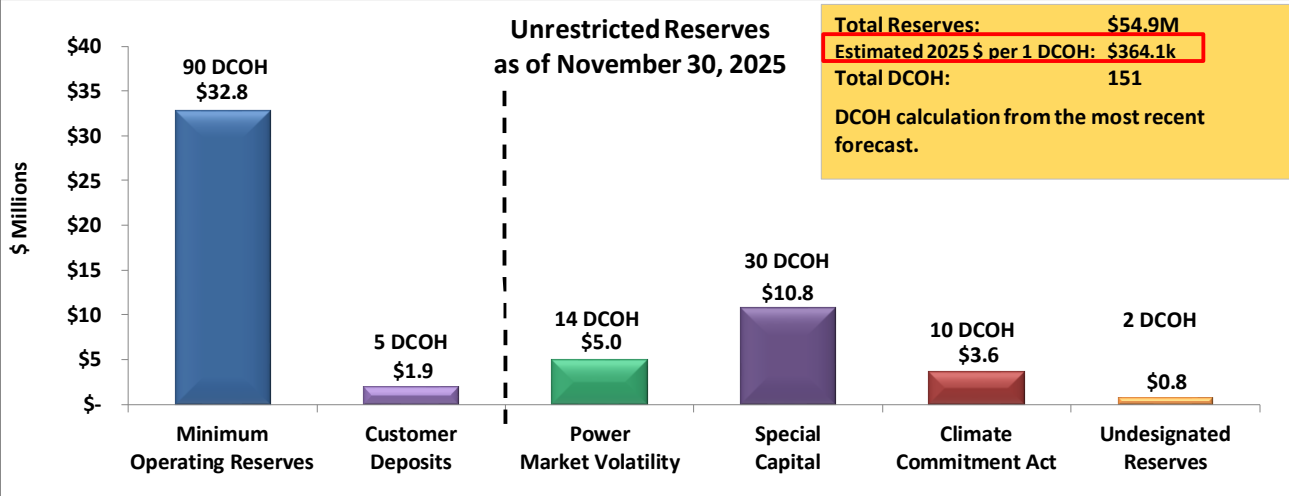


Unrestricted Reserves and Days Cash on Hand (DCOH)

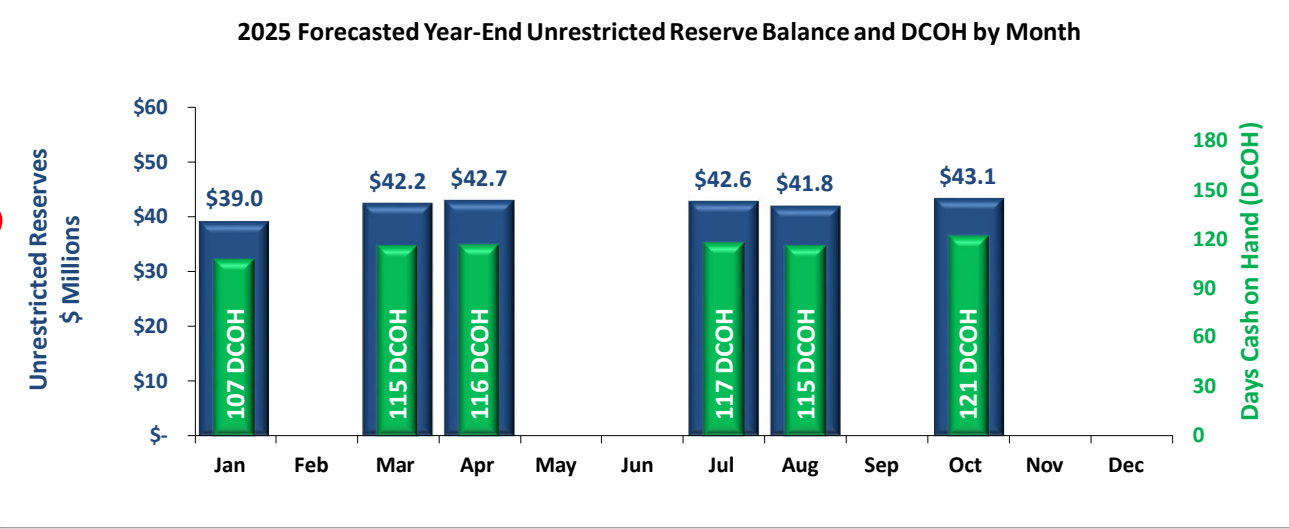
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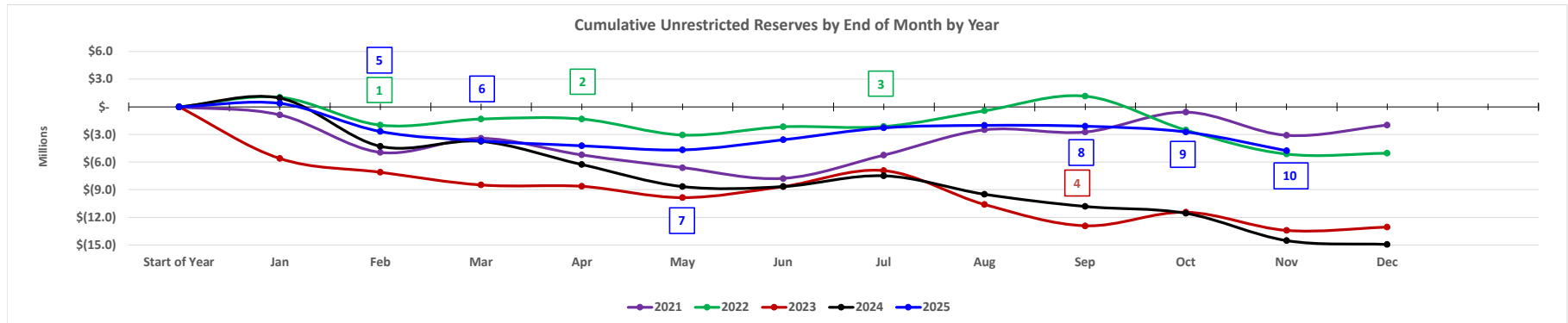


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Note: Any money disbursed for a bid guarantee, received from the Climate Commitment Act auction proceeds, or received from issuing bonds was removed for comparison purposes (i.e. 2023 bond issue).

Other Notable Information:

Weather can play a major factor with customer loads (retail revenue) that can ultimately increase or decrease the District's Unrestricted Reserves.

1. (2022 - February) Adjusted balance down ~\$6.3 million for January BPA invoices that were paid in March due to timing of when the invoices were issued. These invoices are typically paid in February.
2. (2022 - April) Adjusted balance down ~\$5.7 million for March BPA invoices that were paid in May due to timing of when the invoices were issued. These invoices are typically paid in April.
3. (2022 - July) Adjusted balance down ~\$4.3 million for June BPA Power invoice that was paid in August due to timing of when the invoice was issued. This invoice is typically paid in July.
4. (2023 - September) Adjusted balance down ~\$5.3 million for August BPA power and transmission invoices that were paid in October due to timing of when the invoice was issued. These invoice would typically pay in September.
5. (2025 - February) Adjusted balance down ~\$5.3 million for January BPA Invoices that were paid in March due to timing of when the invoices were issued. These invoices are typically paid in February.
6. (2025 - March) Adjusted balance down ~\$6.5 million for February BPA Invoices that were paid in April due to timing of when the invoices were issued. These invoices are typically paid in March.
7. (2025 - May) Adjusted balance down ~\$5.4 million for April BPA Invoices that were paid in June due to timing of when the invoices were issued. These invoices are typically paid in May.
8. (2025 - September) Adjusted balance down ~\$10.0 million for August BPA invoices that were paid in October due to timing of when the invoice was issued. These invoices are typically paid in September.
9. (2025 - October) Adjusted balance down ~\$7.2 million for September BPA invoices that were paid in November due to timing of when the invoice was issued. These invoices are typically paid in October.
10. (2025 - November) Adjusted balance down ~\$5.5 million for October BPA invoices that were paid in December due to timing of when the invoice was issued. These invoices are typically paid in November.

MINUTES

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY COMMISSION PUBLIC HEARING PRELIMINARY 2026 BUDGET AND RATE INCREASE

Date: November 12, 2025

Time: 6:00 p.m.

Place: 2721 West 10th Avenue, Kennewick, Washington

Present: Commissioner Jeff Hall, President
Commissioner Lori Kays-Sanders, Vice-President
Commissioner Mike Massey, Secretary
General Manager Rick Dunn
Senior Director of Finance & Executive Administration Jon Meyer
Assistant GM/Sr. Director Engineering & Operations Steve Hunter (via/Teams)
Director of Power Management Chris Johnson
Director of IT & Broadband Services Chris Folta
Director of Customer Service and Treasury Keith Mercer
Supv. of Executive Administration/Clerk of the Board Cami McKenzie
Records Program Administrator II Nykki Drake

Benton PUD employees present during all or a portion of the meeting, either in person or virtually: Blake Scherer, Senior Engineer Power Management; Evan Edwards, Manager of System Engineering; Jenny Sparks, Manager of Customer Engagement; Jodi Henderson, Manager of Communications & Government Relations; Katie Grandgeorge, Financial Analyst III; Shannon Sensibaugh, Administrative Assistant, II; Spencer DeFord, IT System Administrator; Christopher Kuperstein, Applications Analyst III.

Call to Order & Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance.

President's Speech

Commissioner Hall opened the public hearing and stated the purpose of this public hearing is to hear staff presentations and receive public comment regarding the District's Preliminary 2026 Budget and Rate Increase. This hearing is being held prior to adoption of the District's final 2026 Budget, which is expected to take place at the regular Commission meeting on December 9, 2025.

Following staff presentation, members of the public will be invited to provide comments. The Commission will continue to accept written and electronic public comments through December 2, 2025. Information on how to submit additional comments or questions is available on the District's website.

Presentation by Staff - Rate Increase

General Manager Rick Dunn explained that the District distributes electricity but does not generate it, and all revenue comes from ratepayers; the District does not levy and collect taxes for itself.

He reported that the District is proposing a 2% increase in retail revenues, totaling \$2.8 million. The proposed rate increases are different by rate class. Of the three billing determinates, only one is changing (the demand charge), resulting in an average residential customer impact of approximately \$3.00 per month.

General Manager Dunn reviewed the recommended rate increases, budget development schedule, revenue needs, and 2025 Cost of Service Analysis (COSA) results versus estimated revenue from rates falling into the variable and fixed costs categories. He emphasized the District, like most utilities, has historically funded a disproportionate amount of fixed costs through variable energy charges which is why the recommended rate increase would only impact demand charges. Dunn also emphasized that the District has been working to hold the line on rates despite significant inflation and broader industry cost pressures, with no rate-increases for five consecutive years prior to last year's 5% increase and this year's 2% increase.

Dunn also discussed power cost trends, and U.S. electricity market conditions, noting that BPA transmission, which supports 75% of the Northwest grid, and BPA power supply rates continue to rise with recent wholesale cost increases of 19.9% and 8.9% respectively. Slides highlighted that net power expense remains the District's largest cost and that together BPA power and transmission represent over 78 percent of costs. GM Dunn noted that BPA Tier 2 rates have increased 170% since 2019, impacting costs to serve some existing and all new loads added to the District's system in recent years. The presentation also covered BPA hydropower variability, BPUD's load forecast, BPA Products under the load following contract, as well as historical and 2026 forecasted gross capital expenditures by category.

Cost driver trends were reviewed, including wholesale power costs, supply chain constraints, and labor and benefit increases. General Manager Dunn noted that customers per employee have increased 39% since 2005 with Benton PUD staffing levels relatively unchanged for over 15 years, reflecting ongoing productivity gains. He also pointed out that Distribution O&M cost per customer has been decreasing after factoring in inflation, with Benton PUD continuing to remain below the APPA benchmark.

Additional slides highlighted elements of Benton PUD's Smart Grid investments, including advanced metering (AMI) and customer-facing applications, AMI meter alerts, and SCADA system expansion. GM Dunn also reviewed the debt service schedule and summarized the District's low-income assistance programs, which continue to provide meaningful support to eligible customers.

Commission Questions/Discussion

Commissioner Sanders asked whether the “firm water year” referenced is the lowest on records and GM Dunn clarified that for purposes of determining firm Tier 1 generation capability BPA historically used 1937 as the critical low water year but changed its methodology in 2022 to use a monthly 10th percentile of generation from the last thirty years. Commissioner Sanders commented the future rate increases were unknown at this time but were penciled in for planning purposes.

Commissioner Massey expressed concern about the decline in electricity supply in Washington, the closure of coal plants, and impacts of clean energy policies. He commented that SMRs (small modular reactors) could be promising for the future and stated he is encouraged by their potential.

Public Comments

Tom Mackay - Questioned BPA’s 9% increase and whether cost-cutting measures were fully explored, asking if the District was satisfied that BPA had done all it could. He also asked about opportunities to add hydro capacity and expressed concern about reliance on variable types of power.

Rick Dunn (staff response) – Confirmed that the District, through its participation with the region’s largest public power trade association, the Public Power Council, had thoroughly examined BPA’s cost-management efforts, and that BPA had worked hard to manage costs. He noted that no additional turbine capacity is expected, but efficiency upgrades were ongoing. He explained that the federal hydro system is owned by the U.S. Army Corps of Engineers and U.S. Bureau of Reclamation, and we will be fortunate to preserve what we have.

Rennae Rosenberg (Kennewick) – Objected to paying demand charges during peak hours despite her consistent attention to regulating the temperature of her home and felt the rate structure was unfair.

Neal Martin (business owner) – Worried about multiple areas of rate increases and impacts on fixed-income individuals while some groups appear exempt.

Jeanie Polehn - Expressed concerns about smart meter radiation and privacy, stating the meters track usage too closely and that she was unable to have hers removed. She also questioned ownership of the Snake River dams and who purchases the bonds, expressing worry about potential foreign buyers.

Mary Machiela – Indicated she was supportive of the demand charge flexibility because she was retired, but concerned about families who must use the electricity during peak hours and may face higher costs.

Anna Rodriguez – Noted concern about rising living costs (e.g. groceries) and felt rate increases should be delayed until 2027.

The Board recessed, reconvening at 7:39 p.m.

Presentation by Staff – Preliminary 2026 Budget

Overview

General Manager Rick Dunn reviewed the budget development schedule and summarized the strategic goals and key drivers of actions (expenses). He explained that the ongoing budget review includes assumptions for a proposed overall 2% retail rate increase effective April 1, 2026, with a final budget recommendation scheduled for December 9, which will reflect public comment and Commission direction.

Budget Summary/Revenue

Senior Director of Finance & Executive Administration Jon Meyer reviewed the 2026 preliminary budget compared to the 2025 original budget. Total revenues (excluding secondary market sales) are projected at \$153.8 million, an increase of 1.8%. He indicated the projected revenue includes a proposed 2% overall retail revenue increase and that Benton PUD's retail rates continue to remain below the median.

Net Power Expenses

Director of Power Management Chris Johnson reviewed the 2026 preliminary net power expenses (including secondary market sales). At \$85.4 million (52.1%), net power expense remains the largest component of the District's total costs. The District's 2023 transition to BPA's load following contract has provided more stable power expenses.

Director Johnson noted that BPA continues to face cost pressures, with BP-26 rate increase estimates of 8.9% for power and 19.9% for transmission, and post-2028 BPA contract uncertainty. He also reported that no power cost adjustments or surcharges are assumed for 2026.

Conservation achievements were highlighted: 2024-2025 total conservation achieved, and cumulatively 43 aMW of residential conservation energy savings since 1982, enough to power 24,000 homes annually.

Capital Plan

General Manager Rick Dunn reviewed capital planning for 2023-2025 customer growth, noting that 1,000 new service locations were expected in 2026.

He discussed projected gross capital expenditures, including tools and equipment replacement for operations. Additionally, he described the District's historical replacement process and an improved data-driven approach for vehicle retirement decisions, noting the estimated replacement value of the fleet is between \$12 and \$13 million.

The capital budget includes \$20.5 million for distribution system improvements and \$610,000 for transportation capital purchases. Key takeaways include maintaining the District's system, supporting customer growth, and continuing development of the 21st Century Power Grid to strengthen capacity and reliability.

Capital - Broadband

Director of IT & Broadband Services Chris Folta discussed the Broadband capital plan totaling \$1.37 million. He noted that the Broadband program has been net cash positive for 15 consecutive years and that ongoing partnerships and customer line extensions help fund fiber construction.

Key takeaways included network capacity improvements, strategic hardware replacements, and projects such as relocating the Prosser courthouse node, MPLS upgrades to add capacity, Reata backbone fiber replacement, 100-Gb backbone upgrades between Prosser-Orchard View and Finley-Kennewick, Kennewick traffic signal project, customer connect line extensions, and ongoing strategic equipment replacements.

Capital - Information Technology (IT) Projects

Director Folta reviewed IT capital projects totaling \$1.25 million, including software updates, aging equipment replacements, strategic hardware upgrades, and a contribution to an external data center (co-location).

Capital – Operational Technology (OT) Projects

Director Folta reviewed OT capital projects totaling \$2.05 million. These include the OT Telecommunications network upgrade, with \$1.3 million for design, planning, and equipment and \$500,000 for radio-frequency spectrum acquisition.

Key takeaways included continued OT telecommunications network upgrade, substation equipment replacements, and the Cold Creek Substation fiber extension.

Capital – Security

Director Folta also discussed security capital projects totaling \$1.3 million, including \$270,000 for substation security improvements and the Kennewick Administration building Lobby Remodel, budgeted at \$850,000.

He noted these projects support the 2026-2030 strategic plan by enhancing electric substation physical security, reducing risks to critical infrastructure, and supporting employee and public safety.

Debt Service

Director of Customer Service and Treasury Keith Mercer reviewed the debt service schedule, noting the District's strong fiscal stewardship and long-term financial planning. He said a 2026 bond issuance was planned (approximately \$32 million in new money and refunding of the 2016 bonds) to support long-lived capital projects, ensuring both current and future customers pay equitable shares of system investments.

Non-Power O & M Costs

General Manager Dunn reviewed the Non-Power O & M Budget, noting that costs are primarily driven by labor and benefits. The budget incorporates key strategic initiatives, while maintaining fiscal stewardship. He also reported that the District has continued to keep full-time employee staffing flat and reviewed departmental cost allocations.

Summary and Next Steps

General Manager Dunn summarized that the 2026 preliminary budget includes a 2% retail rate increase effective April 1, 2026, supporting projected retail revenues of \$147.4 million based on expected load growth assumptions. Net wholesale power costs have stabilized under the BPA load following contract, with 2026 net power expenses estimated at \$85.4 million. The \$31.8 million capital budget continues investments in the 21st Century Power Grid projects despite inflation and supply chain constraints, while O & M expenses of \$32 million track with wage and benefits inflation but remain well below APPA median benchmarks.

The final budget recommendation will be presented on December 9, 2025 and will incorporate public comment and Commission direction.

Close the Public Hearing/Adjournment

President Hall thanked everyone for attending and for the public comments provided, noting that the Commission has difficult decisions ahead.

With no further comments, President Hall closed the public hearing and adjourned the meeting at 8:24 p.m.

Jeff Hall, President

ATTEST:

Mike Massey, Secretary

MINUTES

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY REGULAR COMMISSION MEETING

Date: November 25, 2025

Time: 9:00 a.m.

Place: 2721 West 10th Avenue, Kennewick, Washington

Present: Commissioner Jeff Hall, President (via MS Teams)
Commissioner Lori Kays-Sanders, Vice-President
Commissioner Mike Massey, Secretary
General Manager Rick Dunn
Senior Director of Finance & Executive Administration Jon Meyer
Assistant General Manager/Sr. Director Engineering & Operations Steve Hunter
Director of Power Management Chris Johnson
Director of IT & Broadband Services Chris Folta
Director of Customer Service and Treasury Keith Mercer
Supv. of Executive Administration/Clerk of the Board Cami McKenzie
Records Program Administrator II Nykki Drake
General Counsel Allyson Dahlhauser

Benton PUD employees present during all or a portion of the meeting, either in person or virtually: Annette Cobb, Manager of Customer Service; Blake Scherer, Senior Engineer Power Management; Dax Berven, Senior Engineer; Duane Szendre, Superintendent of Operations; Eric Dahl, Communications Specialist II; Evan Edwards, Manager of System Engineering; Jennifer Holbrook, Senior Manager of Applied Technology; Jodi Henderson, Manager of Communications & Government Relations; Katie Grandgeorge, Financial Analyst III; Karen Dunlap, Manager of Human Resources; Kent Zirker, Manager of Accounting; Michelle Ness, Supervisor of Distribution Design; Michelle Ochweri, Manager of Procurement; Paul Holgate, Cyber Security Engineer III; Robert Inman, Superintendent of Transportation & Distribution; Shanna Everson, Distribution Designer; Shannon Sensibaugh, Administrative Assistant, II; Tyson Brown, Procurement Specialist II; Zach Underhill, Distribution Designer; Jeff Vosahlo, Engineering; Kayla Sidwell, Sr. Communications Specialist.

Call to Order & Pledge of Allegiance

Vice-President Sanders called the meeting to order. President Hall participated via MS Teams. The Commission and those present recited the Pledge of Allegiance.

Agenda Review

No changes.

Public Comment

None.

Consent Agenda

MOTION: Commissioner Massey moved to approve the Consent Agenda items “a” through “e”. Commissioner Sanders seconded and upon vote, the Commission unanimously approved the following:

- a. Regular Commission Meeting Minutes of November 12, 2025
- b. Travel Report dated November 25, 2025
- c. Vouchers (report dated November 25, 2025) audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing made available to the Commission and approved as follows for payment:
Accounts Payable: Automated Clearing House (DD) Payments: 111882-111943 in the amount of \$702,008.43.
Checks & Customer Refund Payments (CHK): 91258-91303 in the amount of \$122,337.32;
Electronic Fund Transfer (WIRE) Payments: 7434-7446 in the amount of \$7,785,958.53;
Residential Conservation Rebates: Credits on Customer Accounts in the amount \$590.00;
Payroll: Direct Deposit – 11/6/2025: 111713-111881 in the amount \$484,500.41;
Grand total – \$9,095,394.69
Voided checks (November 2025) in the amount of \$515.79
- d. Conservation Rebate Report – 3rd Quarter 2025
- e. Contract Award to Benton-Franklin Community Action Connections (CAC)/
Low Income Energy Conservation Program Contract #25-45-212

Management Report

Power Management – Director Chris Johnson

1. Solgen - Going of Business Update

Director Johnson provided an update on a local rooftop solar company upcoming closure and the status of customer-owned solar systems in the Districts service area. He reported the District now has 1,308 total solar customers, representing nearly 11 MW of installed capacity. He informed the Commission that Solgen is going out of business as of January, and it is currently facing a variety of legal challenges. Within the Districts service area, Solgen completed 514 installations, and a concern going forward is how customer warranty or servicing issues will be handled for affected customers.

Customer Service/Treasury – Director Keith Mercer

1. Public Hearing/Financial Forecast Updates

a. Public Hearing Recap

Director Mercer reported that 26 customers attended, with six providing comments. One had technical issues but later showed up to the meeting and he spoke with him. An

additional written comment was submitted via email. A staff member followed up directly with each commenter that provided contact information, speaking with two and leaving messages for two others. Overall feedback was positive, with customers expressing appreciation for the level of detail, professionalism, and the time taken to present information clearly.

b. Budget & Financial Forecast Updates

Mr. Mercer reviewed updates to the financial forecast, highlighting changes to Net Power Costs (NPC), which increased by \$1.7 million, from \$85.3 million to \$87.0 million, largely driven by the Financial Reserve Policy (FRP) Surcharge announced at the November 13, 2025 BPA Quarterly Business Review. The surcharge impacts the District by approximately \$0.2 million in 2025 and \$1.3 million in 2026, for a total of \$1.5 million. The other part of the increase was additional renewable energy credit (REC) purchases in 2026, noting the REC strategy has changed.

Director Mercer noted the 2025-2029 forecast updates as follows: primary change was the \$1.8 million NPC increase, 2.0% retail rate increase in 2026, a \$32 million bond in 2026, with projected cash-on-hand of 123 days in 2029.

Director Mercer presented the following potential rate strategies:

- Scenario 1 – No rate increases in 2027
 - Achievable but would require a \$4 million reduction in capital spending from 2027–2030 (\$1 million per year).
- Scenario 2 – 0% increases every other year
 - Example: A 5% increase in 2028 and 3.5% in 2030 and includes a \$4 million reduction in capital spending.

Commissioners all expressed interest in maintaining small, consistent annual increases. Commissioner Sanders also emphasized support for senior customers, with interest in reducing barriers to the senior discount program.

2. Veteran's Assistance

Director Mercer reported on discussions with Kristopher Dahir, Executive Director of the Columbia Basin Veterans Center. Mr. Dahir has been meeting with local utilities to better understand their assistance and disconnection processes. He may be invited to a future Commission meeting to further discuss veteran support efforts.

IT & Broadband Services – Director Chris Folta

1. NoaNet Update

Director Folta reported that the NoaNet Board of Directors will again be considering changes to NoaNet's charter documents related to membership eligibility. He noted that in September, the Commission authorized Benton PUD's representative to approve changes to NoaNet's charter documents, including expanding membership to other public agencies, and authorized actions related to adding Broadlinc as a member.

Director Folta further reported that the Colville Confederated Tribes, operating as Bigfoot Communications, have expressed interest in becoming a NoaNet member. In December, the NoaNet Board will consider resolutions to restate the current interlocal cooperative agreement to expand membership eligibility to tribal agencies and to recommend adding Bigfoot Communications as a member. To address legal concerns, the Tribe would need to agree to a limited waiver of sovereign immunity specific to NoaNet's charter documents.

If the NoaNet Board resolutions are approved and the Tribe agrees to the waiver, the revised documents will be brought back to the Commission in January for approval and for authorization of the General Manager to execute them. A subsequent membership vote by NoaNet Member Representatives is anticipated at a special meeting, likely in February 2026. Director Folta stated that no additional risks have been identified, the overall risk is considered low, and that expanded membership aligns with NoaNet's strategic direction.

Finance/Executive Administration – Senior Director Jon Meyer

- 1. Financial Report** - Senior Director Jon Meyer provided the Commission with a financial report for October, 2025.
- 2. BPA Residential Exchange Program Update**
Director Meyer reported that BPA has paused the Residential Exchange Program public engagement process to allow time to explore a potential settlement concept. Public Power coordinated with trade associations to submit a response last week; while they noted some concerns, they agreed there was merit in pausing the process to discuss a settlement. BPA has not yet indicated the position of the investor-owned utilities.

General Manager – Rick Dunn

- 1. Designation of Representatives**
Clerk of Board Cami McKenzie provided the Commission with a draft Designation of Representatives for 2026 and asked Commissioners to bring back any changes for discussion at the next meeting.
- 2. ENW Cascade SMR Final Approval Schedule**
General Manager Dunn received an email from Jacquelyn Eutsey of Energy Northwest requesting information on when the Commission plans to vote on the Cascade SMR. Energy NW is surveying all 29 Energy NW members regarding their schedules for obtaining approval to vote yes or no on the SMR project in May 2026. It was recommended the Commission adopt a formal motion before Commissioner Massey participates in that vote. Chris Johnson will serve as the point of contact as staff reviews the conditions and gathers additional information.
- 3. NERC Winter Reliability Warning**
General Manager Rick Dunn reported that the latest NERC Winter Reliability Assessment shows the Pacific Northwest is now at an elevated risk for winter blackouts, a shift from last year's more favorable outlook. Contributing factors include limited natural gas pipeline capacity, higher peak winter demand, and growing load-resource imbalances.

4. WSAC Speaking Engagement Highlights

GM Dunn reported on his presentation to the Washington State Association of Counties Columbia River Caucus in Spokane regarding the current state of hydropower and transmission. Other speakers included Glenn Blackmon, Director of the Energy Policy Office at the Washington Department of Commerce, who emphasized the State's Comprehensive Climate Action Plan and a continued commitment to electrification and the need for importing wind and solar power from outside the state through interstate transmission lines. Blackmon also emphasized "environmental justice" and "energy justice" as top priorities with tribal interest being the highest consideration. Governor Ferguson's energy policy advisor Kate Brouns also spoke, providing the governor's top three priorities which include (1) transmission line builds, (2) expediting siting and permitting of clean energy within the state, and (3) dealing with the impacts of data center growth. GM Dunn noted that concerns with data center development continue to overlook that fact that firm hydropower is already spoken for and that Bonneville Power Administration (BPA) utility customers cannot serve data center loads with low-cost hydropower due to the 10 average megawatt new-large-single-load (NLSL) constraint. Dunn also noted that the "analysis paralysis" BPA is experiencing with their transmission interconnection queue is a direct result of Washington and Oregon's overly aggressive carbon reduction strategies combined with overly generous federal tax subsidies which overwhelmed BPA's processes with wind and solar developer requests for interconnection. Additionally, Dunn noted that Yakama Nation representatives presented after Mr. Blackmon expressing deep concern for the environmental impacts of data centers and to avoid the "harms of the past" they want tribal interests to be front-and-center when it comes to energy facilities development. Dunn expressed frustration that highly land-intensive wind and solar farms are the foundation of Washington's energy strategy and that land-use impacts are unavoidable if these are your base technologies, particularly when you consider the ceded lands of the tribes which cover most of the state and the need for extensive transmission line buildouts. Dunn also added that Glenn Blackmon dropped out of the meeting as a remote participant prior to his presentation (which Dunn gave in person) as it would have been beneficial for Blackmon to hear his points.

5. December 23, 2025 Meeting

Staff noted there are no items that need to come before the Board and the plan is to cancel that meeting.

The Board briefly recessed, reconvening at 10:25 a.m. Commissioner Jeff Hall left the meeting.

Business Agenda

Citibank Merchant Services - ICO #10 - Contract #16-16-02

Director Keith Mercer provided an update on credit card fees associated with the District's contract with Citibank Merchant Services. The District is enrolled in the Visa Utility Program, which offers reduced processing costs because utilities are classified as low-risk merchants, and

interchange fees are passed through the program. A key restriction of the program is that the District may not charge customers a convenience fee, resulting in the District absorbing all the processing costs. The presentation also outlined historical cost details.

Director Mercer requested the Commission approve the contract extension with Citibank Merchant Services to extend the contract to December 31, 2026 and increase the amount by an additional \$450,000.00.

MOTION: Commissioner Massey moved to authorize the General Manager on behalf of the District to sign Contract #16-16-02 – ICO#10 with Citibank Merchant Services, to extend the term of the contract to December 31, 2026, and increase the not-to-exceed amount by \$450,000.00 for a new not-to-exceed amount of the contract to \$4,024,000.00. Commissioner Sanders seconded, and upon vote, the motion carried unanimously.

Contract Award Recommendation - National Information Solutions Cooperative (NISC) – Contract #25-18-08

Senior Manager Jennifer Holbrook presented an overview of the District’s transition to and continued use of NISC. She explained that the District’s pre-2015 “best of breed” software approach, while high performing, was expensive and difficult to integrate. NISC, a cooperative designed for utilities, provides a fully integrated system with improved cost efficiency. She also outlined what the contract covers, including software, bill print and postage, customer communications, credit card fees, professional services, and tools for tracking all costs and matching invoices for payments.

MOTION: Commissioner Massey moved to authorize the General Manager on behalf of the District to sign Contract #25-18-08 with NISC, to track all costs and match up invoices for payment for a not-to-exceed amount of \$955,000.00 plus Washington State sales tax, with an expiration date of December 31, 2026. Commissioner Sanders seconded, and upon vote, the motion carried unanimously.

Contract Award to Riverline Power - Sunheaven #3 Transmission Line Construction Project – Contract Award – Bid #25-21-27

Manager Evan Edwards presented the contract award recommendation to Riverline Power for the Sunheaven #3 Transmission Line Construction Project. He reported that five bids were received and confirmed that the construction schedule aligns with the planned energization date of August, 2026. He also noted that all required materials are expected to arrive before construction begins, except for one item still pending delivery.

MOTION: Commissioner Massey moved to authorize the General Manager on behalf of the District to sign Contract #25-21-27 for Sunheaven #3 Transmission Line Construction Project to Riverline Power of Ridgefield, WA for a not to exceed amount of \$1,049,975.52 plus Washington

State sales tax in accordance with RCW 54.04.080. Commissioner Sanders seconded, and upon vote, the motion carried unanimously.

DJ's Electrical Inc-Cable Replacement, CO#7-Contract #23-21-26

Manager Evan Edwards presented Change Order #7 with DJ's Electrical Cable to extend the contract to December 31, 2026 (final extension) and increase the amount by \$2,206,827.00. The budget includes \$1,035,609.00 for NESC Joint Use Compliance and \$1,171,218.00 for cable replacement.

MOTION: Commissioner Massey moved to authorize the General Manager on behalf of the District to Sign CO#7 to extend Contract #23-21-26 Cable Replacement/ NESC Joint Use Compliance & Special Projects with DJ's Electrical Inc. to December 31, 2026, and increase the Not to Exceed (NTE) Amount by \$2,206,827.00 for a new NTE amount of \$7,070,481.00. Commissioner Sanders seconded, and upon vote, the motion carried unanimously.

State of the System Presentation

Steve Hunter, Assistant GM/Sr. Director of Engineering & Operations and Evan Edwards, Manager of System Engineering, presented the Fall 2025 State of the System update. The presentation emphasized ongoing efforts to maintain system reliability, safety, and regulatory compliance.

Key highlights included:

- Joint Use NESC Compliance Program and Quality Assurance Programs: Progress was reported on NESC compliance efforts, including pole inspections, violations, and corrections. Updates were also provided on Quality Assurance efforts through 20204-025 work order inspections.
- Reliability Initiatives: staff reviewed ongoing reliability work, including underground cable replacement projects, wildfire mitigation activities, and SCADA RTU upgrade progress.
- Maintenance Activities: The 5-Year Inspection Program identified 43 items in 2025, with repair work being prioritized as low, medium, or high. Additional maintenance updates included pole testing performed on a 10-year rotation, the power transformers wellness program, substation transformer testing (completed every 6 years), breaker and regulator maintenance, and an overview of SCADA RTU upgrade schedules and progress.

Meeting Reports

Commissioner Sanders reported that she has been reviewing information from the State's Electric Vehicle Committee and expressed surprise that the State is still moving ahead on this issue.

Closed Session

The Commission entered a closed session at 11:25 a.m. to discuss collective bargaining matters with General Manager Rick Dunn for approximately 10 minutes. The Commission came out of closed session at 11:50 a.m.

Adjournment

Hearing no objection, Vice-President Sanders adjourned the meeting at 11:50 a.m.

Lori Sanders, Vice-President

ATTEST:

Mike Massey, Secretary

Periodic Travel Report - December 9, 2025

<i>Date Start</i>	<i>Business Days</i>	<i>Name</i>	<i>City</i>	<i>Purpose</i>
1/14/2026	2	Jodi Henderson	Olympia, WA	WPUDA JANUARY MEETINGS
2/10/2026	3	Jodi Henderson	Olympia, WA	WPUDA FEBRUARY MEETINGS



PAYMENT APPROVAL
December 9, 2025

The vouchers presented on this Payment Approval Report for approval by the Board of Commissioners have been audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims by officers and employees have been certified as required by RCW 42.24.090.

Type of Payment	Starting #	Ending #	Page #	Amount
Accounts Payable:				
Automated Clearing House (DD) Payments	112101 - 112176		1 - 9	\$ 3,188,968.55
Checks & Customer Refund Payments (CHK)	91304 - 91372		10 - 15	\$ 160,768.89
Electronic Fund Transfer (WIRE) Payments	7448 - 7457		16 - 17	\$ 562,033.00
Residential Conservation Rebates:				
Credits on Customer Accounts			18	\$ 1,910.00
Purchase Card Detail:				
Payroll:				
Direct Deposit - 11/20/2025	111944 - 112100			\$ 478,084.57
TOTAL				\$ 4,391,765.01
Void DD				\$ -
Void Checks	November 2025		10	\$ 91.29
Void Wires				\$ -

I, the undersigned Auditor of Public Utility District No. 1 of Benton County, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claims identified in this report are just, due and unpaid obligations against the District and that I am authorized to authenticate and certify to said claims.

Jon Meyer

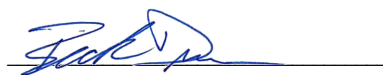
Jon L. Meyer, Auditor

12/1/2025

Date

Reviewed by:

Approved by:


Rick Dunn, General Manager

Jeffrey D. Hall, President

Lori Kays-Sanders, Vice-President

Michael D. Massey, Secretary

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Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
112101 11/19/25	DD	10633	A+ QUALITY INSULATION, INC.	REEP	2,494.00
112102 11/19/25	DD	10929	ABSCO SOLUTIONS	Benton PUD IDS	5,042.66
				Benton PUD IDS	2,399.26
Total for Check/Tran - 112102:					7,441.92
112103 11/19/25	DD	963	ANIXTER INC.	Test Well, Black, HDPE, 9in di	163.85
				Transformer	18,473.08
				Transformer	55,419.23
				CUTOUT, 15 KV	2,472.28
				CUTOUT, 15 KV	2,454.53
				Material	1,180.48
				Splice sleeve kit, Homac # RRK	1,143.49
				bolt machine 7/8 X 20	2,757.43
				Tariff Charge - PO 57899/CM	8,203.52
				Credit-PO57899/6463225-01/02-6463255-00	-173,441.34
				ACSR Drake 795	173,441.34
				ACSR 795 DRAKE	85,467.84
				ACSR 795 DRAKE	79,769.98
Total for Check/Tran - 112103:					257,505.71
112104 11/19/25	DD	10496	ARNETT INDUSTRIES, LLC	Tool Repair	132.04
				Electrical Testing	106.70
Total for Check/Tran - 112104:					238.74
112105 11/19/25	DD	793	BELL LUMBER & POLE, INC.	Poles	74,062.34
				Poles	65,549.83
Total for Check/Tran - 112105:					139,612.17
112106 11/19/25	DD	34	BENTON PUD-ADVANCE TRAVEL	Interdisciplinary Professional Prg	372.00
112107 11/19/25	DD	3344	BOYD'S TREE SERVICE, LLC	Tree Trimming Svc	7,158.06
				Tree Trimming Svc	1,732.51
Total for Check/Tran - 112107:					8,890.57

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Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
112108 11/19/25	DD	3820	COLEMAN OIL COMPANY, LLC	Fuel Svc	19,049.91
112109 11/19/25	DD	3167	COOPERATIVE RESPONSE CENTER, IN	CRCLink User/Multispeak OMS	13,176.98
112110 11/19/25	DD	10896	CULLIGAN QUENCH	Water/Ice Machine Rental	270.91
112111 11/19/25	DD	3439	DJ'S ELECTRICAL, INC.	Cable Replacement	119,413.11
				Joint Use/NESC	53,431.56
				Joint Use/NESC	816.60
				Joint Use/NESC	47,044.55
Total for Check/Tran - 112111:					220,705.82
112112 11/19/25	DD	2757	RICK T DUNN	PPC/NWRP Mtgs	903.99
112113 11/19/25	DD	11023	ELLERD, HULTGRENN & DAHLHAUSE	Professional Svc	5,973.75
112114 11/19/25	DD	642	EVERGREEN FINANCIAL SERVICES, IN	Collection Svc	1.55
112115 11/19/25	DD	3130	GDS ASSOCIATES, INC.	NERC/WECC Compliance	2,435.00
112116 11/19/25	DD	79	GENERAL PACIFIC, INC.	Fiber, 6CT, ADSS	6,125.44
112117 11/19/25	DD	3969	GPS INSIGHT, LLC	Device Monitoring	2,302.16
112118 11/19/25	DD	3171	JODI A HENDERSON	Veteran Stand Down Supplies	29.98
112119 11/19/25	DD	374	HOWARD INDUSTRIES, INC.	Transformers	195,051.20
112120 11/19/25	DD	10660	IRBY ELECTRICAL UTILITIES	Parallel groove clamp, all purpose, AL	847.99
				ANCHOR CROSS PLATE HEAVY	2,756.12
				PINS STEEL 6 1/2 SHANK #J204Z	2,698.24
Total for Check/Tran - 112120:					6,302.35
112121 11/19/25	DD	103	KENNEWICK, CITY OF	Occupation Tax	408,761.08
112122 11/19/25	DD	3644	LOOMIS	Safepoint Svc	1,374.94
				Drop Box/Kenn Kiosks	1,971.53
Total for Check/Tran - 112122:					3,346.47

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Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
112123 11/19/25	DD	11183	MP CONSTRUCTION, INC.	Angus Control House Door Modification	13,223.55
112124 11/19/25	DD	3821	NISC	Envelopes/Postage/Print Svc	2,479.13
				Envelopes/Postage/Print Svc	43,883.58
				Postage/Online Pymnts/ACH/EFT	1,065.09
				Postage/Online Pymnts/ACH/EFT	702.03
				Postage/Online Pymnts/ACH/EFT	143.27
				Software Lic/Maintenance	8,758.45
				Software Lic/Maintenance	2,595.09
				Software Lic/Maintenance	3,892.64
				Software Lic/Maintenance	17,192.49
Total for Check/Tran - 112124:					80,711.77
112125 11/19/25	DD	919	NOANET	Kennewick Campus	835.91
				Co-Location Kennewick Verizon	1,460.00
				Broadband Billing	18,864.39
				Broadband Billing	75,457.55
Total for Check/Tran - 112125:					96,617.85
112126 11/19/25	DD	10905	NOKIA OF AMERICA CORPORATION	Broadband Equipment	16,452.19
112127 11/19/25	DD	10769	ONEBRIDGE BENEFITS INC.	Flex Spending Dependent Care	185.19
				Flex Spending Health Care	2,856.37
Total for Check/Tran - 112127:					3,041.56
112128 11/19/25	DD	3162	ONLINE INFORMATION SERVICES, INC.	Online Utility Exchange	1,466.65
112129 11/19/25	DD	2176	PACIFIC OFFICE AUTOMATION, INC.	Monthly Billing	62.02
				Monthly Billing	18.33
Total for Check/Tran - 112129:					80.35
112130 11/19/25	DD	585	PARADISE BOTTLED WATER CO.	Monthly Billing	460.76
				Monthly Billing	84.78
Total for Check/Tran - 112130:					545.54

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Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
112131	11/19/25	DD	1241	PARAMOUNT COMMUNICATIONS, INC. Prosser HAPO	662.80
				20 - Off-the-Dock Labor	6,818.60
				Advanced ISP Prosser	645.36
				20 - Off-the-Dock Labor	7,655.07
Total for Check/Tran - 112131:					15,781.83
112132	11/19/25	DD	1161	PRINT PLUS Low Income Rebate Brochures	308.05
112133	11/19/25	DD	10951	RELIANCE STANDARD LIFE INSURANC Self Insured STD Fee	187.50
112134	11/19/25	DD	10947	RELIANCE STANDARD LIFE INSURANC Basic AD&D	166.81
				Basic Life	834.05
				Non Barg Basic AD&D	81.76
				Non Barg Basic Dep Life	80.08
				Non Barg Basic Life	1,087.28
				Supplemental AD&D - Child	8.40
				Supplemental AD&D - EE	538.20
				Supplemental AD&D - Spouse	234.90
				Supplemental Life - Child	50.32
				Supplemental Life - EE	2,017.60
				Supplemental Life - Spouse	417.15
				LTD Buy-Up	880.23
				LTD Core No Buy-Up	3,360.02
Total for Check/Tran - 112134:					9,756.80
112135	11/19/25	DD	2277	LORI K SANDERS WA2040 Energy Solutions Summit	598.75
112136	11/19/25	DD	10230	SMG-TRI CITIES, LLC Advertising	2,520.00
				Advertising	8,000.00
Total for Check/Tran - 112136:					10,520.00
112137	11/19/25	DD	10884	SOLSTICE HEATING & AIR REEP	9,000.00
112138	11/19/25	DD	10489	STATES MANUFACTURING CORPORAT Vista Bay Metalclad Switchgear	824,704.00

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Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
112139 11/19/25	DD	219	STONEWAY ELECTRIC SUPPLY	CONDUIT FLEX PVC 3 IN	1,647.55
112140 11/19/25	DD	3502	SYLVAN LEARNING CENTER	Employee/Candidate Testing	290.00
112141 11/19/25	DD	139	TOWNSQUARE MEDIA TRI CITIES	Advertising	3,144.00
112142 11/19/25	DD	1163	TYNDALE ENTERPRISES, INC.	Clothing-Heberlein	332.35
				Credit - Inv 4075951	-178.60
Total for Check/Tran - 112142:					153.75
112143 11/19/25	DD	11047	ZACHARY J UNDERHILL	Interdisciplinary Professional Prg	87.96
112144 11/19/25	DD	1048	UNITED WAY OF BENTON & FRANKLI	EE United Way Contribution	381.23
112145 11/19/25	DD	10154	US PAYMENTS, LLC	Paysite/Kiosk/Card Processing Fees	383.44
				Paysite/Kiosk/Card Processing Fees	1,440.00
Total for Check/Tran - 112145:					1,823.44
112146 11/19/25	DD	272	UTILITIES UNDERGROUND LOCATION	Underground Locate	754.65
112147 11/19/25	DD	11062	VESTIS SERVICES, LLC	Weekly Svc	35.80
				Weekly Svc	38.14
				Weekly Svc	27.73
				Weekly Svc	22.08
				Weekly Svc	18.39
Total for Check/Tran - 112147:					142.14
112148 11/19/25	DD	1935	VIRGINIA TRANSFORMER CORP.	Transformer	186,620.00
112149 11/19/25	DD	4235	WATER STREET PUBLIC AFFAIRS, LLC	Lobbying Svc	6,500.00
112150 11/19/25	DD	11134	WELLABLE LLC	Pro Wellness Plan	350.00
112151 11/25/25	DD	10633	A+ QUALITY INSULATION, INC.	REEP	1,350.00
112152 11/25/25	DD	963	ANIXTER INC.	Transformer	18,473.08
				CUTOUT, 15 KV	2,249.98
				CT, Grabber, 1500:5, EXTENDED RANGE 0.3	1,978.51

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Distribution Phasing Tester Kit, Chance	4,863.88
				BOLTS MACH 5/8 X 12	1,758.21
				BOLTS MACH 5/8 X 16	2,212.83
				BOLTS MACH 5/8inch X 14 inch	1,410.05
				CLAMPS GR ROD 5/8	1,484.03
				LUGS TRANSF GROUNDING	4,791.55
				Vice Top Insulator, Poly,Gray	1,608.83
				CLAMP SUSP ANGLE 795 ACSR W/AR	1,848.73
				Clevis Eye-Y	839.89
				Clevis, EYE-Y 90 Degree	641.05
				Parallel groove clamp, all purpose, AL	6,487.74
				Voltage detector	1,597.48
				#4 SD Solid Bare Copper Conduc	5,720.49
				Total for Check/Tran - 112152:	57,966.33
112153 11/25/25	DD	10496	ARNETT INDUSTRIES, LLC	Tool repair	346.40
112154 11/25/25	DD	3828	BORDER STATES INDUSTRIES, INC.	CONN SLEV ANDSN VHS 1/0	11,385.70
				Washer, Spring Lock, 7/8 IN	1,632.00
				Muletape	1,719.04
				SHACKLES ANCHOR MEDIUM	5,000.46
				Total for Check/Tran - 112154:	19,737.20
112155 11/25/25	DD	3344	BOYD'S TREE SERVICE, LLC	Tree Trimming Svc	7,158.06
				Tree Trimming Svc	5,197.54
				Total for Check/Tran - 112155:	12,355.60
112156 11/25/25	DD	10837	CAMPBELL & COMPANY SERVICE COR REEP		400.00
				REEP	1,000.00
				REEP	400.00
				REEP	400.00
				Total for Check/Tran - 112156:	2,200.00
112157 11/25/25	DD	10630	CAMPBELL TRAINING SOLUTIONS, LL	Empowered Episodes	3,810.00

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Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
112158 11/25/25	DD	3520	CI INFORMATION MANAGEMENT	Shredding Svc	29.15
112159 11/25/25	DD	2972	COMPUNET, INC.	Credit - PO - 56335	-636.48
				Credit - PO 56335	-636.48
				Azure Monthly Billing	239.36
				Software License	9,537.04
Total for Check/Tran - 112159:					8,503.44
112160 11/25/25	DD	10857	D&R INSULATION, LLC	REEP	1,630.00
112161 11/25/25	DD	3439	DJ'S ELECTRICAL, INC.	Cable Replacement	111,397.28
				Joint Use/NESC	2,177.60
				Joint Use/NESC	407.88
				Joint Use/NESC	34,809.63
Total for Check/Tran - 112161:					148,792.39
112162 11/25/25	DD	2757	RICK T DUNN	Columiba River Counties Caucus	436.43
112163 11/25/25	DD	10961	ENERGY PRO INSULATION, INC.	REEP	2,408.00
112164 11/25/25	DD	4207	INFORMATION FIRST, INC.	Content Mgr	2,000.00
112165 11/25/25	DD	11205	INSTRUMENTED SENSOR TECHNOLOG	Material	-141.54
				Impact Recorder Rental - Model# EDR-3C	1,656.13
				Magnetic Mounting Bracket MMB-110	93.85
Total for Check/Tran - 112165:					1,608.44
112166 11/25/25	DD	10660	IRBY ELECTRICAL UTILITIES	CLAMP, SHOE 1/0-336 ACSR	4,721.38
112167 11/25/25	DD	214	JACOBS & RHODES	REEP	800.00
				REEP	400.00
				REEP	1,000.00
				REEP	400.00
Total for Check/Tran - 112167:					2,600.00
112168 11/25/25	DD	10162	LINGUISTICA INTERNATIONAL, INC.	Interpreting Svc	47.13

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Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
112169 11/25/25	DD	1098	MARSH USA INC.	Fiduciary Liability Policy	175.00
112170 11/25/25	DD	10563	MESSAGE TECHNOLOGIES, INC.	IVR/SMS Services	-92.84
				IVR/SMS Services	1,147.84
Total for Check/Tran - 112170:					1,055.00
112171 11/25/25	DD	10770	ONEBRIDGE BENEFITS INC. (ADMIN)	Administrative Fees	111.00
112172 11/25/25	DD	2176	PACIFIC OFFICE AUTOMATION, INC.	Monthly Billing	17.11
				Monthly Billing	225.05
				Monthly Billing	164.26
Total for Check/Tran - 112172:					406.42
112173 11/25/25	DD	1241	PARAMOUNT COMMUNICATIONS, INC.	BREA Relocate	4,696.62
				20 - Off-the-Dock Labor	48,270.94
Total for Check/Tran - 112173:					52,967.56
112174 11/25/25	DD	10671	PRINCIPAL BANK	EE Vision	78.19
				ER Vision	2,990.95
				EE Health	11,284.36
				ER Health	225,221.02
				EE Dental	477.22
				ER Dental	17,665.08
Total for Check/Tran - 112174:					257,716.82
112175 11/25/25	DD	2154	SENSUS USA, INC.	SAAS/Alert Mgr/Flexnt Monitoring/AEM	5,950.66
				SAAS/Alert Mgr/Flexnt Monitoring/AEM	9,616.95
				SAAS/Alert Mgr/Flexnt Monitoring/AEM	4,402.30
Total for Check/Tran - 112175:					19,969.91
112176 11/25/25	DD	11062	VESTIS SERVICES, LLC	Weekly Svc	35.80
				Weekly Svc	38.14
				Weekly Svc	27.73
				Weekly Svc	22.08
				Weekly Svc	18.39

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Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
Total for Check/Tran - 112176:						142.14
Total Payments for Payment Type - DD:						(76) 3,188,968.55
Total Voids for Payment Type - DD:						(0) 0.00
Total for Payment Type - DD:						(76) 3,188,968.55
Total Payments for Bank Account - 1 :						(76) 3,188,968.55
Total Voids for Bank Account - 1 :						(0) 0.00
Total for Bank Account - 1 :						(76) 3,188,968.55

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Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
90789 9/10/25	CHK	99999	JESSICA GRIFFIN	Credit Balance Refund	91.29
91304 11/19/25	CHK	259	BENTON FRANKLIN COMMUNITY ACT	REEP	10,215.45
91305 11/19/25	CHK	54	BNSF RAILWAY COMPANY	Land Lease - Plymouth	4,016.89
91306 11/19/25	CHK	614	BOB RHODES HEATING & AC, INC.	REEP	1,200.00
				REEP	9,000.00
Total for Check/Tran - 91306:					10,200.00
91307 11/19/25	CHK	32	CITY OF BENTON CITY	Occupation Tax	10,656.12
91308 11/19/25	CHK	243	FEDERAL EXPRESS CORP	Mailing Svc	19.41
				Mailing Svc	5.98
Total for Check/Tran - 91308:					25.39
91309 11/19/25	CHK	310	MOON SECURITY SERVICES, INC.	Monitoring Svc	23.71
				Monitoring Svc	247.77
				Monitoring Svc	203.89
				Monitoring Svc	102.12
				Monitoring Svc	102.12
				Monitoring Svc	102.12
				Monitoring Svc	193.76
Total for Check/Tran - 91309:					975.49
91310 11/19/25	CHK	734	PORT OF BENTON	RR fiber Crossing License Fee	3,000.00
91311 11/19/25	CHK	135	PROSSER, CITY OF	Occupation Tax	40,515.84
91312 11/19/25	CHK	379	PURMS JOINT SELF INSURANCE FUND	Property General Assessment	31,823.02
91313 11/19/25	CHK	2648	RAILROAD MANAGEMENT COMPANY	License Fees - Paterson	417.05
91314 11/19/25	CHK	141	RICHLAND, CITY OF	Occupation Tax	329.60
91315 11/19/25	CHK	2997	ROBERTS CONSTRUCTION	REEP	402.00
91316 11/19/25	CHK	992	VERIZON NORTHWEST	Monthly Billing	2,580.78

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11/15/2025 To 11/28/2025

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
91317 11/19/25	CHK	172	WASH STATE DEPT TRANSPORTATION	Utility Permit	1,666.65
				Utility Permit	821.85
Total for Check/Tran - 91317:					2,488.50
91318 11/19/25	CHK	100	WASTE MANAGEMENT OF WASHINGT	Monthly Billing	1,043.76
				Monthly Billing	320.11
				Monthly Billing	599.24
Total for Check/Tran - 91318:					1,963.11
91319 11/19/25	CHK	10649	ZIPLY FIBER	Monthly Billing	125.77
91320 11/19/25	CHK	99999	JESSICA GRIFFIN	Credit Balance Refund	91.29
91321 11/25/25	CHK	3459	ALMETEK INDUSTRIES INC.	Switch stickers. XFR QC stickers	1,407.42
91322 11/25/25	CHK	258	APOLLO MECHANICAL CONTRACTOR	REEP	200.00
91323 11/25/25	CHK	39	BENTON COUNTY	Easement 1-4 749666	1,222.00
				Easement 732157	306.50
				Easement 739590	305.50
				Easement 742909	305.50
				Easement 748349	305.50
Total for Check/Tran - 91323:					2,445.00
91324 11/25/25	CHK	259	BENTON FRANKLIN COMMUNITY ACT	Helping Hands	2,834.12
				REEP	4,352.00
				REEP	8,329.01
Total for Check/Tran - 91324:					15,515.13
91325 11/25/25	CHK	614	BOB RHODES HEATING & AC, INC.	REEP	400.00
91326 11/25/25	CHK	2831	CORRECTIONAL INDUSTRIES	Office Furniture	2,473.68
91327 11/25/25	CHK	77	FRONTIER FENCE, INC.	Jump Off Joe Fence Repair	990.08
91328 11/25/25	CHK	128	PERFECTION GLASS, INC.	REEP	246.00
				REEP	522.00

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Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				REEP	1,260.00
Total for Check/Tran - 91328:					2,028.00
91329 11/25/25	CHK	141	RICHLAND, CITY OF	Fiber Lease	586.98
				Fiber Lease	586.98
				Fiber Lease	146.75
				Fiber Lease	293.49
				Fiber Lease	293.49
				Fiber Lease	293.49
				Fiber Lease	146.75
				Fiber Lease	293.49
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	293.49
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	293.49
				Fiber Lease	146.75
				Fiber Lease	293.49
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	293.49
				Fiber Lease	146.75
				Fiber Lease	1,467.45
				Fiber Lease	146.75
				Fiber Lease	146.75

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Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	293.49
Total for Check/Tran - 91329:					8,364.57
91330 11/25/25	CHK	99999	ERIC C ALIE	Credit Balance Refund	782.77
91331 11/25/25	CHK	99999	CHRYSTLE D ARMSTRONG	Credit Balance Refund	834.08
91332 11/25/25	CHK	99999	JESSICA BLACK	Credit Balance Refund	37.13
91333 11/25/25	CHK	99999	ROBERT A BURDEN	Credit Balance Refund	346.17
91334 11/25/25	CHK	99999	MIGUEL CAMPOS	Credit Balance Refund	77.65
91335 11/25/25	CHK	99999	CARA M CARDENAS	Credit Balance Refund	393.08
91336 11/25/25	CHK	99999	CAROLYN J CASTILLO GONZALEZ	Credit Balance Refund	97.90
91337 11/25/25	CHK	99999	SHAWNEE R CASTORENA	Credit Balance Refund	29.37
91338 11/25/25	CHK	99999	JENNIFER S COLLINS	Credit Balance Refund	19.43
91339 11/25/25	CHK	99999	SARAI CORONA	Credit Balance Refund	268.77
91340 11/25/25	CHK	99999	BENITO CRUZ	Credit Balance Refund	89.21
91341 11/25/25	CHK	99999	ANGELA DISHMAN	Credit Balance Refund	143.59
91342 11/25/25	CHK	99999	ESTATE OF STEVEN L GAUL	Credit Balance Refund	120.73
91343 11/25/25	CHK	99999	BREANNA L FINCHER	Credit Balance Refund	28.63
91344 11/25/25	CHK	99999	PAM D GOLDEN	Credit Balance Refund	91.83
91345 11/25/25	CHK	99999	MICHAEL O GROTHE	Credit Balance Refund	80.94

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Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
91346 11/25/25	CHK	99999	THEO JOHNSON	Credit Balance Refund	66.78
91347 11/25/25	CHK	99999	KIMBERLY KUYKENDALL	Credit Balance Refund	15.93
91348 11/25/25	CHK	99999	CHULARR LEAUPEPE	Credit Balance Refund	51.38
91349 11/25/25	CHK	99999	WENDELL R LEWIS	Credit Balance Refund	92.65
91350 11/25/25	CHK	99999	CHIBOMBOMA LOONGO	Credit Balance Refund	98.33
91351 11/25/25	CHK	99999	DEANNA M MAKESCOLDWEATHER	Credit Balance Refund	30.18
91352 11/25/25	CHK	99999	TYSON MALLONEE	Credit Balance Refund	310.00
91353 11/25/25	CHK	99999	WILLIAM E MARTIN	Credit Balance Refund	293.49
91354 11/25/25	CHK	99999	DIANA MENDEZ	Credit Balance Refund	188.61
91355 11/25/25	CHK	99999	ANNA MEYER	Credit Balance Refund	220.82
91356 11/25/25	CHK	99999	ANGEL N MUSICK	Credit Balance Refund	56.42
91357 11/25/25	CHK	99999	MISTIE R ORDWAY	Credit Balance Refund	120.52
91358 11/25/25	CHK	99999	FLORENTINO ORNELAS	Credit Balance Refund	15.68
91359 11/25/25	CHK	99999	W T PHILLIPS	Credit Balance Refund	307.87
91360 11/25/25	CHK	99999	QASIM B QASIM	Credit Balance Refund	44.13
91361 11/25/25	CHK	99999	MICHAEL ROSARIO	Credit Balance Refund	26.87
91362 11/25/25	CHK	99999	KIMBERLY L ROTTER	Credit Balance Refund	148.71
91363 11/25/25	CHK	99999	DAVID RUIZ	Credit Balance Refund	210.04
91364 11/25/25	CHK	99999	ISAAH RUIZ	Credit Balance Refund	13.22
91365 11/25/25	CHK	99999	CELICA SANCHEZ ZARAGOZA	Credit Balance Refund	29.90
91366 11/25/25	CHK	99999	SHELBY M SNOW	Credit Balance Refund	267.45

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Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
91367 11/25/25	CHK	99999	SHARON A STANFORD	Credit Balance Refund	75.27
91368 11/25/25	CHK	99999	JOSHUA C SUMMERS	Credit Balance Refund	97.75
91369 11/25/25	CHK	99999	CAROLINA L VASQUEZ AGUIRRE	Credit Balance Refund	109.75
91370 11/25/25	CHK	99999	WILLIAM F WALKER	Credit Balance Refund	459.93
91371 11/25/25	CHK	99999	DAVID M WILLERT	Credit Balance Refund	97.54
91372 11/25/25	CHK	99999	THELMA WISE	Credit Balance Refund	228.21
Total Payments for Payment Type - CHK:					(69) 160,768.89
Total Voids for Payment Type - CHK:					(1) 91.29
Total for Payment Type - CHK:					(70) 160,860.18
Total Payments for Bank Account - 2 :					(69) 160,768.89
Total Voids for Bank Account - 2 :					(1) 91.29
Total for Bank Account - 2 :					(70) 160,860.18
Grand Total for Payments :					(145) 3,349,737.44
Grand Total for Voids :					(1) 91.29
Grand Total :					(146) 3,349,828.73

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Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
7448 11/17/25	WIRE	436	BANK OF AMERICA	Banking Fees	1,378.47
7450 11/17/25	WIRE	2570	THE ENERGY AUTHORITY, INC.	Purchased Power	32,784.79
7451 11/20/25	WIRE	2205	UNITED STATES TREASURY	Federal Income Tax	84,725.03
				Medicare - Employee	10,811.76
				Medicare - Employer	10,543.06
				Social Security - Employee	40,588.04
				Social Security - Employer	40,588.04
Total for Check/Tran - 7451:					187,255.93
7452 11/20/25	WIRE	171	WASH STATE DEPT RETIREMENT SYS	ER PERS	40,720.83
				PERS Plan 2	36,603.88
				PERS Plan 3A 5% All Ages	1,366.65
				PERS Plan 3B 5% Up to Age 35	215.66
				PERS Plan 3B 6% Age 35-45	160.42
				PERS Plan 3E 10% All Ages	1,507.56
Total for Check/Tran - 7452:					80,575.00
7453 11/20/25	WIRE	169	ENERGY NORTHWEST	Purchased Power	140,913.08
7454 11/20/25	WIRE	2902	WHITE CREEK WIND I, LLC	Purchased Power	7,892.00
7455 11/21/25	WIRE	1567	ICMA RETIREMENT CORP	457(b) Leave EE Contribution	1,608.94
				457(b) Roth EE Contribution	15,297.01
				ER Def Comp 401	21,282.45
				ER Def Comp 457	3,330.44
				Plan A 457(b) Employee Contribution	4,602.59
				Plan B 457(b) Employee Contribution	21,213.98
				Plan C 401(a) Option 1 EE Contribution	3,503.99
				Plan C 401(a) Option 2 EE Contribution	2,054.07
				Plan C 401(a) Option 3 EE Contribution	596.03
				Plan C 401(a) Option 4, Step 1 EE Contri	127.69
				Plan C 401(a) Option 4, Step 2 EE Contri	1,738.24

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Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Plan C 401(a) Option 4, Step 3 EE Contr	1,578.19
				Plan C 401(a) Option 4, Step 4 EE Contr	1,190.93
				Plan C 401(a) Option 5, Step 4 EE Contr	1,398.77
				Plan C 457(b) Employee Contribution	4,944.73
				457 EE Loan Repayment #1	3,310.58
				457 EE Loan Repayment #2	625.72
				457 EE Loan Repayment #3	57.03
				457 EE Loan Repayment #4	71.97
				Total for Check/Tran - 7455:	88,533.35
7457 11/26/25	WIRE	424	WASH STATE DEPT REVENUE-EXCISE	Utility Tax	11,350.19
				Use Tax	2,316.61
				Retailing & Whoesaling Tax	958.68
				Retail Sales Tax - Kennewick	205.84
				Service Tax	7,869.06
				Total for Check/Tran - 7457:	22,700.38
Total Payments for Payment Type - WIRE:					(8) 562,033.00
Total Voids for Payment Type - WIRE:					(0) 0.00
Total for Payment Type - WIRE:					(8) 562,033.00
Total Payments for Bank Account - 1 :					(8) 562,033.00
Total Voids for Bank Account - 1 :					(0) 0.00
Total for Bank Account - 1 :					(8) 562,033.00
Grand Total for Payments :					(8) 562,033.00
Grand Total for Voids :					(0) 0.00
Grand Total :					(8) 562,033.00



BENTON PUD - RESIDENTIAL CONSERVATION REBATE DETAIL

<u>Date</u>	<u>Customer</u>	<u>Rebate Amount</u>	<u>Rebate Description</u>
11/20/2025	AMELIA ESPINOZA	\$ 30.00	Rebate - Cothes Washer
11/20/2025	DEREK BROWN	\$ 30.00	Rebate - Cothes Washer
11/20/2025	DEREK BROWN	\$ 50.00	Rebate - Clothes Dryer
11/13/2025	AMBER L HANSEN	\$ 900.00	Rebate - Heat Pump Water Heater
11/20/2025	MONTEE L SHIPMAN	\$ 900.00	Rebate - Heat Pump Water Heater

\$ 1,910.00



COMMISSION AGENDA ACTION FORM

Meeting Date:	December 09, 2025	
Subject:	Community Engagement Update – 2025	
Authored by:	Jodi Henderson	Staff Preparing Item
Presenter:	N/A	Staff Presenting Item (if applicable or N/A)
Approved by:	Jon Meyer	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
☒ Consent Agenda	☐ Pass Motion	☐ Decision / Direction
☐ Business Agenda	☐ Pass Resolution	☒ Info Only
☐ Public Hearing	☐ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

None

Background/Summary

Benton PUD engages in the community through outreach and education, memberships, and charitable service. These efforts support our strategic goal to value people and put our customers at the center of all we do and provides us the opportunity to promote our programs and services as a trusted energy partner.

Resolution No. 2689, Establishing District Policy Regarding Community Engagement directs staff to provide an annual report that summaries related activities. The Community Engagement Summary dashboard includes a visual summary of outreach and education for the year and specially identifies key messages and displays a map to demonstrate our visibility throughout our entire service territory. Also included are employee donations to charitable organizations as part of our 360 Well-Being committee-led fundraising. Demonstrating how our employees give back to the community in which they live and work.

Fiscal Impact

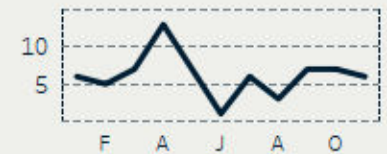
There is no fiscal impact associated with this update. All community engagement programming and expenses are included in the Government Relations or 360 Well-Being budget.



Community Engagement Summary

1/1/2025 - 11/30/2025

| Select event date range: 01/01/2025 to 12/31/2025



Category:

All

Community Outreach

Community Education

Community Service

68

events

193

volunteer shifts

337

hours

\$14,287

employee donations

[Click to view event details table](#)

Message

Careers 9

Community Benefit 19

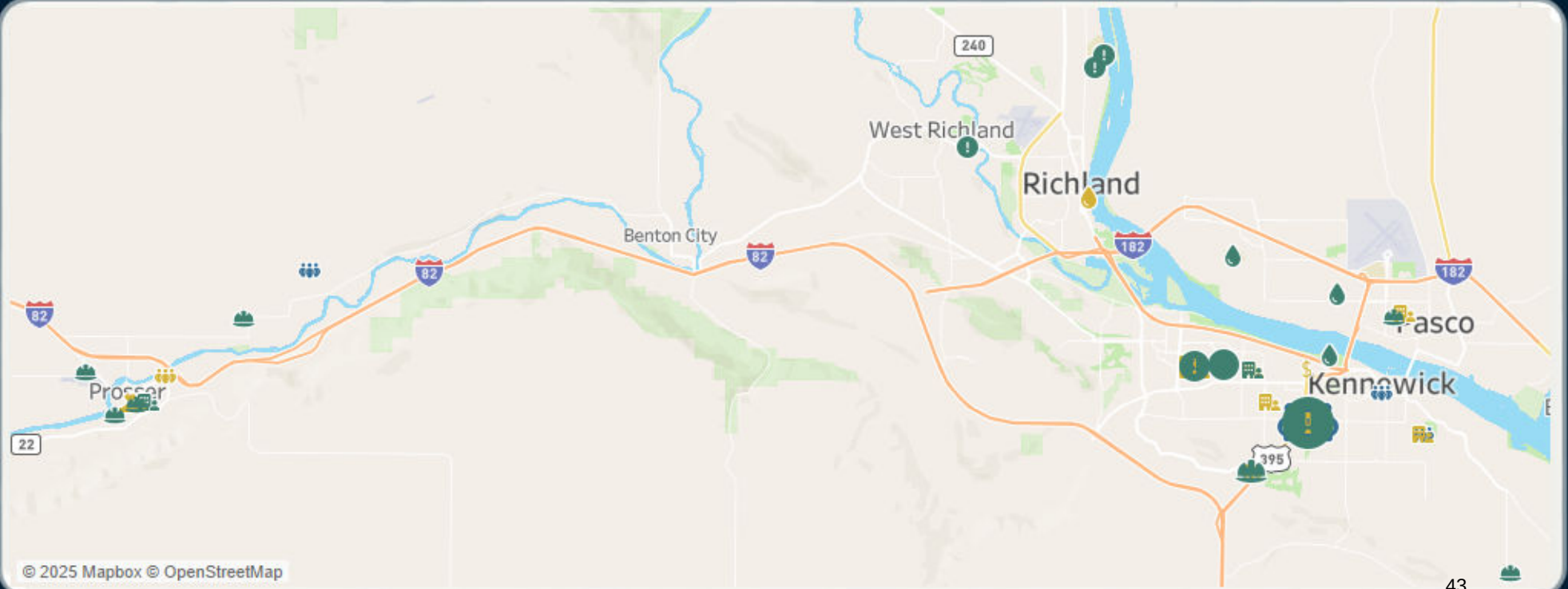
Critical issues 21

Hydropower 4

Low income 1

PUD Programs 2

Safety 12





COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2025	
Subject:	Jobs Report for Commission	
Authored by:	Anna Hightower	Staff Preparing Item
Presenter:	Evan Edwards	Staff Presenting Item (if applicable or N/A)
Approved by:	Steve Hunter	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager/Asst GM

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
☒ Consent Agenda	☐ Pass Motion	☐ Decision / Direction
☐ Business Agenda	☐ Pass Resolution	☒ Info Only
☐ Public Hearing	☐ Approve Contract	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

None.

Background/Summary

District Resolution No. 1607 authorizes the General Manager to approve construction and maintenance work orders up to \$100,000.

The attached summary table (Jobs Report) provides a list of work orders with an estimated cost of less than \$100,000. The Jobs Report is presented generally once a month to the Commission for the purpose of maintaining open communications and accountability for projects of significant value; generally, over \$15,000. The report is intended for information only with no Commission action being requested.

The attached Jobs Report provides a summary of work orders of significant value up to the \$100,000 limit authorized for approval by the General Manager.

Recommendation

Report only.

Fiscal Impact

Report only.



**Engineering Department
MEMO**

To: Steve Hunter
From: Anna Hightower
Re: **Jobs Report to Commission**

Jobs Report for 12/9/2025 Commission Meeting							
Job No.	Name	Location	Description	Designer	Estimated Job Cost	Reimb/Aid to Const.; Includes Salvage	Net Cost to BPUD
744866	BPUD	Cochran Rd & Gerards Rd	Joint Use – NESC Compliance One Touch Project	JWV	\$15,283.76	\$9,461.40	\$5,822.36 (1)
744916	BPUD	Cochran Rd & 2099 PR SE	Joint Use – NESC Compliance One Touch Project	JWV	\$13,786.10	\$5,430.88	\$8,355.22 (2)
744969	BPUD	Haney Rd & Game Farm Rd	Joint Use – NESC Compliance One Touch Project	JWV	\$25,840.42	\$25,840.42	\$0.00
729850	BPUD	W 4 th Ave & S Quillan Pl	Underground cable replacement #1434	JWV	\$64,435.27	\$0.00	\$64,435.27
729863	BPUD	W 10 th Ave & S Huntington St	Underground cable replacement #1435	JWV	\$90,740.21	\$0.00	\$90,740.21
746438	BPUD	Haney Rd & Bowles Rd	Joint Use – NESC Compliance One Touch Project	JWV	\$22,638.27	\$22,638.27	\$0.00
746444	BPUD	S Haney Rd & S Pidcock Rd	Joint Use – NESC Compliance One Touch Project	JWV	\$15,493.26	\$15,493.26	\$0.00

734210	Larry Peterson Port of Kennewick	625 Crosswinds Blvd	Install a three-phase transformer for commercial services and a three-phase junction box for future growth.	TMG	\$20,258.58	\$18,694.81	\$1,563.77 (3)
746223	Silvino Nunez	11823 N Hicks Rd	Install overhead single-phase line extension to new home.	CMB	\$28,856.75	\$24,880.42	\$3,976.33 (4)
748347	Dennis Pavlina	7906 W 10 th Ave	Install three-phase line extension to install two transformers.	TMG	\$19,148.46	\$17,204.30	\$1,944.16 (5)
750421	BPUD	Vista V5B Feeder	Relocate Vista 5B feeder into new 5X7 vault.	TMG	\$21,173.93	\$0.00	\$21,173.93
753067	BPUD	N 410 PR NE	5-year plan of service.	ZJU	\$22,911.77	\$0.00	\$22,911.77
746446	BPUD	Pidcock Rd & 397 Highway	Joint Use – NESC Compliance One Touch Project	JWV	\$16,096.50	\$16,096.50	\$0.00
746495	BPUD	Cochran Rd & 397 Highway	Joint Use – NESC Compliance One Touch Project	JWV	\$19,211.91	\$19,211.91	\$0.00
746516	BPUD	Cochran Rd & 397 Highway	Joint Use – NESC Compliance One Touch Project	JWV	\$22,316.38	\$22,316.38	\$0.00
746570	BPUD	E Game Farm Rd & S Haney Rd	Joint Use – NESC Compliance One Touch Project	JWV	\$25,659.31	\$25,089.10	\$570.21 (6)
746571	BPUD	E Game Farm Rd & 2156 PR SE	Joint Use – NESC Compliance One Touch Project	JWV	\$21,666.36	\$21,666.36	\$0.00
748348	Dennis Pavlina	7954 W 10 th Ave	Three phase line extension to serve new 5-story apt building and feeder tie.	TMG	\$29,787.37	\$12,377.40	\$17,409.97 (7)
748587	Baldwin General	7715 W Quinault Ave	Line extension to feed new hotel.	TMG	\$48,558.35	\$18,778.91	\$29,779.44 (8)
726498	BPUD	TGB Badger Site	Buildout to extend the AMI system.	CMB	\$12,264.71	\$0.00	\$12,264.71

746572	BPUD	E Game Farm Rd & Dunham Rd	Joint Use – NESC Compliance One Touch Project	JWV	\$24,935.06	\$24,935.06	\$0.00
746573	BPUD	Dunham Rd & E Game Farm Rd	Joint Use – NESC Compliance One Touch Project	JWV	\$25,424.25	\$25,424.25	\$0.00
746574	BPUD	Lemon Rd & E 59 th	Joint Use – NESC Compliance One Touch Project	JWV	\$20,312.74	\$20,312.74	\$0.00
750848	BPUD	Finley Rd & South of Bowles Rd	Joint Use – NESC Compliance One Touch Project	JWV	\$18,322.27	\$15,050.42	\$3,271.85 (9)
756088	Tri-City Development Corp.	Eagle Butte Estates Ph2, Golden Eagle Circle	Underground line extension for 20 lot subdivision.	CMB	\$69,458.16	\$65,922.53	\$3,546.63 (10)
692057	MS Properties LLC	4303 W Hood Ave	Single phase and three phase line extension to serve 18 duplexes.	TMG	\$68,873.11	\$51,944.37	\$16,928.74 (11)
720837	BPUD	H2F2 River to Berrian	Installing switches to sectionalize transmission line.	ZJU	\$76,517.96	\$0.00	\$76,517.96
720842	BPUD	Berrian-Irrigro	Install 115kV Switch to sectionalize transmission line.	ZJU	\$52,766.01	\$0.00	\$52,766.01
729989	BPUD	Yakitat Rd off I-82	Fire Mitigation prevention where a fire previously was.	MN	\$17,447.55	\$0.00	\$17,447.55
730079	BPUD	82910-3512 off HWY 397	Replace transmission switch and wood poles with ductile iron poles.	SME	\$78,781.40	\$0.00	\$78,781.40
750407	Agri Northwest	McNary Circles 89,807 & 806	Single phase line extension to feed circles.	ALR	\$45,134.20	\$43,225.35	\$1,908.85 (12)
747461	Agri Northwest	Tyrell Rd	Moving existing switch cabinet and new 3 phase for 300 HP pump.	ALR	\$29,435.26	\$28,084.94	\$1,350.32 (13)
749666	Agri Northwest	Tyrell Rd Circle	Single phase line extension to feed circle.	ALR	\$59,050.38	\$57,898.01	\$1,152.37 (14)

750131	Benton County Fairgrounds	1500 S Oak St	Relocated transformer for arena expansion and new route is in conduit.	ALR	\$25,341.41	\$20,357.42	\$4,983.99 (15)
750238	Paul Govorukhin	5225 W Canal Dr	Reroute 3 phase overhead power to underground.	TMG	\$38,670.21	\$22,077.50	\$16,592.71 (16)
748841	Paul Lavrentiev	6 th St	Overhead and underground line extension to service 6 duplexes.	CMB	\$29,723.38	\$26,050.66	\$3,672.72 (17)
749644	BPUD	S Finley Rd	Added additional sectionalizing point per Engineer.	ALR	\$15,465.67	\$0.00	\$15,465.67
749274	Agri Northwest	Circle 487	Rerouted primary cable out of farm circle.	ALR	\$39,246.98	\$30,236.17	\$9,010.81 (18)
749498	BPUD	Canyon Rd & Sellards Rd	Remove the unused pole in the fire safety area and replace the North-side framing with a guyed anchor pole	CMB	\$28,488.62	\$0.00	\$28,488.62

- (1) 744866 – District Cost (\$5,822.36) is the PUD’s portion of the compliance corrections.
- (2) 744916 – District Cost (\$8,355.22) is the PUD’s portion of the compliance corrections.
- (3) 734210 – District Cost (1,563.77) is the labor to install a three phase padmount transformer 500kVA 208/120, travel time (\$1,098.16) and fiber backbone (\$465.61).
- (4) 746223 – District Cost (3,976.33) is the labor and materials to install a single-phase overhead transformer 25 kVA 120/240 (\$1,454.73) and travel time (\$2,521.60)
- (5) 748347 – District Cost (\$1,944.16) is the labor to 1 – three phase padmount transformer 300 kVA 208/120, 1 – three phase padmount transformer 500 kVA 208/120 and travel time.
- (6) 746570 – District Cost (\$570.21) is the PUD’s portion of the compliance corrections.
- (7) 748348 – District Cost (\$17,409.97) includes the labor to install a three phase padmount transformer 500 kVA 208/120 to serve new 5-story apt building, travel time and create an alternate feeder tie to improve outage response.
- (8) 748587 – District Cost (\$29,779.44) is the labor to install a single phase padmount transformer 25 kVA 240/120, a three phase padmount transformer 500 kVA 208/120, travel time (\$1,800.43) and fiber backbone (\$2,562.49) and installing vault and conduit for future feeder tie (\$25,416.52).

- (9) 750848 – District Cost (\$3,271.85) is the PUD’s portion of the compliance corrections.
- (10) 756088 - District Cost (\$3,546.63) includes the labor to install 9 - single phase 37 kVA 240/120 padmount transformers plus travel time.
- (11) 692057 – District Cost (\$16,928.74) includes the labor and material to install 5 single phase 50 kVA 240/120 padmount transformers plus travel time (\$3,471.62) and Engineer has requested to cover the cost and conduit for future three phase tie (\$13,457.12).
- (12) 750407 – District Cost (\$1,908.85) includes labor to install 2 – single phase 25 kVA 480/240 padmount transformers plus travel time.
- (13) 747461 – District Cost (\$1,350.32) includes labor to install a three phase 300 kVA 480/277 padmount transformer plus travel time.
- (14) 749666 – District Cost (\$1,152.37) includes labor to install to single phase 25 kVA 480/240 padmount transformers plus travel time.
- (15) 750131 – District Cost (\$4,983.99) includes labor and materials to install three phase 300 kVA 208/120 padmount transformer plus travel time. 4” conduit was paid by PUD to potentially utilize in future for full three phase.
- (16) 750238 – District Cost (\$16,592.71) includes the labor and material to install a single phase 37 kVA 240/120 padmount transformer and to tie in underground to existing junction box to improve power reliability.
- (17) 748841 – District Cost (\$3,672.75) includes the labor to install 1 single phase 25 kVA 240/120 padmount transformer, 1 single phase 50 kVA 240/120 padmount transformer plus travel time.
- (18) 749274 – District Cost (\$9,010.81) includes travel time and the cost of abandoning wire in place.



COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2025	
Subject:	Contract Award Recommendation – Bid #25-21-29 – Sunheaven #3 Substation Civil Construction Project	
Authored by:	Dax Berven	Staff Preparing Item
Presenter:	Evan Edwards	Staff Presenting Item (if applicable or N/A)
Approved by:	Steve Hunter	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
☒ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☐ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☒ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion authorizing the General Manager on behalf of the District to award and sign Contract #25-21-29 for Sunheaven #3 Substation Civil Construction Project to Magnum Electric, LLC of Toledo, WA for a not to exceed amount of \$376,950.00 (base bid + 5% contingency) plus Washington State sales tax in accordance with RCW 54.04.080.

Background/Summary

Bids were opened on Wednesday, November 12, 2025 at 3pm for the construction of the civil portion of Sunheaven #3 substation. The District received Bids as follows:

Bidder	Construction Timeline	Total	Engineer's Estimate	Engineer's Estimate +15%
Magnum Power	1/5/26 – 4/3/26	\$359,000	\$326,086.96	\$375,000.00
DJ's Electrical, Inc.	12/18/25 – 4/20/26	\$518,000		
Riverline Power	3/2/26 – 3/27/26	\$685,000		
Prater Electric	3/15/26 – 4/15/26	\$786,000		

Engineering Staff's intention is to award this Contract as a not to exceed total of Bid price + 5% (\$376,950.00) plus applicable taxes. This additional 5% allows for minor field changes to align with unknown as found field conditions (such as unanticipated rock) or if the need arises for the District to incorporate small scope changes to accommodate construction needs.

Recommendation

Awarding this construction contract to Magnum Power will allow the District to remain on schedule to energize the proposed substation to meet Sunheaven Farms' load growth request.

Fiscal Impact

Work Order #734321 was previously approved by Commission. Projected costs were included in the amended 2025 and proposed 2026 budgets based on the District's construction schedule and anticipated equipment delivery timelines. Some equipment delivery timelines for this project are currently fluid and it is anticipated that an amendment to the 2026 budget will be required to reflect some material costs that move from 2025 to 2026.



Contract #25-21-29

CONTRACT

Sunheaven #3 Substation Civil Construction Project

On this 9th day of December 2025, **MAGNUM ELECTRIC, LLC** (the *Contractor*) and **PUBLIC UTILITY DISTRICT NO.1 of BENTON COUNTY** (the *District*) agree to be bound by the following terms and conditions:

1. The *Contractor* agrees to perform the work and furnish labor, equipment, and certain materials in accordance with the plans and specifications.
2. The *Contractor*, in the performance of the work herein specified, shall be considered an independent contractor solely responsible for the performance of said work and any damage resulting therefrom.
3. The *Contractor* shall comply with Revised Code of Washington Section 39.12, providing for payment of prevailing wages. No workman, laborer, or mechanic employed in the performance of any part of this contract shall be paid less than the 'prevailing rate of wage' as determined by the industrial statistician of the Department of Labor and Industries. The schedule of the prevailing wage rates for the locality or localities where this contract will be performed is by reference made a part of this contract as though fully set forth herein.

It will be the responsibility of the *Contractor* to pay all filing fees necessary to comply with RCW 39.12.

4. *Contractor* shall protect, hold free and harmless, defend and pay on behalf of Public Utility District No. 1 of Benton County (including its managers, commissioners and employees) all liability, penalties, costs, losses, damage, expense, causes of action, claims, or judgments, (including attorney's fees) resulting from injury or death, sustained by any person (including contractor's employees) or damage to property of



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any kind which injury, death, or damage arises out of or is in any way connected with *contractor's* performance of this contract. *Contractor's* hold harmless agreement shall apply to any act or omission, willful misconduct, or negligence whether passive or active, on the part of *contractor* (its agents or employees); except, that this agreement shall not be applicable to injury, death, or damage to property or persons arising from the negligence or the willful misconduct of Public Utility District No. 1 of Benton County, its managers, commissioners, and employees.

In any and all claims against the *District* by any employee of *Contractor*, the indemnification and hold-harmless obligation herein shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Contractor under worker's compensation acts, disability benefit acts, or other employee benefit acts, AND *CONTRACTOR SPECIFICALLY AND EXPRESSLY WAIVES ANY IMMUNITY UNDER SUCH ACTS. CONTRACTOR ACKNOWLEDGES THAT THIS WAIVER HAS BEEN MUTUALLY NEGOTIATED BY THE PARTIES.*

5. The *Contractor* hereby accepts exclusive liability for payment of any and all taxes (federal and/or state) required to be paid by the *Contractor*, the employees of such *Contractor*, or by any subcontractors or the officers or employees of such subcontractors, to any governmental agency, commission or authority having jurisdiction in the premises, under the provisions of any unemployment insurance, social security and/or pension plans established by law insofar as said taxes pertain to work performed under this contract. It is expressly understood and agreed that the *Contractor* will save and hold harmless the *District* from any and all liability whatsoever for the deduction, collection, and/or payment of any such sums or the performance of any of the requirements aforesaid.
6. The *Contractor* agrees to meet all requirements that may be specified under



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regulations of any governmental agency, commissioner or authority having jurisdiction in the premises insofar as said requirements relate to work performed under this contract. It is expressly understood and agreed that the *Contractor* will save and hold harmless the *District* from any and all liability whatsoever for the deduction, collection, and/or payment of any such sums or the performance of any of the requirements aforesaid.

7. The *Contractor* agrees to comply with provisions set forth in Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, 38 U.S.C. § 4212 of the Vietnam Veterans' Readjustment Assistance Act of 1974, as amended and all provisions of 29 CFR Part 471, Appendix A to Subpart A (Executive Order 13496).
8. The *Contractor* will be required to furnish a Performance Bond in the form attached hereto with a surety authorized to do business in the State of Washington, in a penal sum not less than the contract price for all projects over \$35,000.
9. The *Contractor* agrees to warrant all work, for a period of one year, against defects in such work as desired in the plans and specifications, or other contract documents. Such warranty from the date of acceptance of the work by the *District*.
10. The *Contractor* will not sublet any of the work to be performed by him under the terms of this agreement and will not assign this contract or any rights hereunder, without first obtaining the written approval of the *District*.
11. It is agreed that neither the *District* nor the *Contractor* shall be held liable for work stoppage caused by strikes, injunction suits, acts of God or the public enemy, or causes beyond the control of the parties.
12. Payment to the *Contractor* for work performed shall be as follows:



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- a. For a contract with a completion schedule of forty-five (45) calendar days or less the payment shall be after the work is completed and has been finally accepted by the District.
- b. For a contract with a completion schedule greater than forty-five (45) calendar days, the District will make progress payments for work performed. The District shall make payment to the Contractor for construction accomplished during the preceding calendar month on the basis of completed construction certified by the Contractor and approved by the District's representative solely for the purpose of payment.

No payment shall be made until the *Contractor's* and Subcontractor's "Statement of Intent to Pay Prevailing Wages" has been certified by the Department of Labor and Industries and a copy so certified has been furnished to the *District* by the *Contractor* and all Subcontractors. On contracts \$35,000.00 and greater, five percent (5%) of the amount of each payment shall be withheld until final acceptance of the completed contract by the *District* and the expiration of the thirty-day (30-day) period for filing of liens as provided by law and until: (1) the *Contractor's* and Subcontractor's "Affidavit of Wages Paid" has been certified by the Department of Labor and Industries and a copy so certified has been furnished the *District* by the *Contractor* and all subcontractors, (2) a certificate is received from the Audit section of the State Department of Revenue (contracts over \$35,000.00) authorizing the payment of the retained fund, and (3) a certificate of release from the Dept. of Labor & Industries has been furnished to the *District*. A Notice of Completion of Public Works Contract will be filed with the State Department of Revenue by the *District* upon acceptance of the Contract by the *District*. It will be the responsibility of the *Contractor* to notify the Dept. of Labor & Industries of contract completion.



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13. If the *District* is dissatisfied with the quality of work being performed relative to workmanship and/or compliance with the plans and specifications, the *District* will inform the *Contractor* in writing of the dissatisfaction, and if the *Contractor* has failed to comply with the *District's* requests within two (2) days, then the *District* may terminate this agreement by providing five (5) days written notice to the *Contractor*. This contract may be canceled by either party upon receipt of thirty (30) days written notice from the other party. All work shall be done in a workmanlike manner. All work, material, and locations of equipment are subject to *District* approval.
14. The *Contractor* shall have, and maintain throughout the Contract period, insurance, and benefits in the following minimum requirements:
 - a. Workers' compensation insurance, Social Security, Federal Income Tax deductions, and any other taxes or payroll deductions required by law for, or on behalf, of its employees.
 - b. Employer's liability, commercial general liability (bodily injury and property damage) and comprehensive automobile liability (bodily injury and property damage) insurance, with each policy having maximum limits of not less than \$1,000,000.
 - c. Contractor shall provide an endorsement on the Commercial General Liability and Property Damage policy naming the District as additional insured and add a separation of insured clause or a cross-liability endorsement.

The District shall have the right at any time to require commercial general liability, automobile liability, and property damage insurance greater than those required in subsection (b) of this section.

Contractor shall deliver to the Procurement Department of the District, no later than ten (10) days after award of the Agreement, but in any event prior to execution of the Agreement by



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the District and prior to commencing work, Certificates of Insurance, identified on their face as the Agreement Number to which applicable, as evidence that policies providing such coverage and limits of insurance are in full force and effect, which Certificates shall provide that not less than thirty (30) days advance notice will be given in writing to the District prior to cancellation, termination or alteration of said policies of insurance. Such advance notice of cancellation, termination, or alteration of said policies shall be delivered to the Procurement Department of the District.

15. The *Contractor* shall at all times take all reasonable precautions for the safety of employees on the work and of the public and shall comply with all applicable provisions of federal, state, and municipal safety laws and building and construction codes.

16. The following documents are, by this reference, incorporated into and made a part of this Small Works Agreement.

Appendix A - Statement of Work
Appendix B - Schedule of Payments
Appendix C - Special Conditions (if applicable)
Exhibit – 1 – Performance Bond
Bid #25-21-29

The District is a public entity subject to the disclosure requirements of the Washington Public Records Act of RCW 42.56. The Vendor expressly acknowledges and agrees that its proposal and any information Vendor submits with its proposal or which Vendor submits to the District in its performance of any contract with the District is subject to public disclosure pursuant to the Public Records Act or other applicable law and the District may disclose Vendor's proposal and/or accompanying information at its sole discretion in accordance with its obligations under applicable law.

The District must comply with the Preservation and Destruction of Public Records RCW 40.14. The Vendor expressly acknowledges and agrees that it will maintain all records and documentation related to the contract in accordance with its obligations under applicable law.

In the event that the District receives a request pursuant to the Washington Public Records Act, or other legal process requesting or mandating disclosure of any information or documents



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submitted to the District by Vendor, the District's sole obligation shall be to notify the Vendor promptly, so that the Vendor at Vendor's expense and cost, may seek court protection of any of the requested information Vendor deems confidential.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

**PUBLIC UTILITY DISTRICT NO. 1
OF BENTON COUNTY**

RIVERLINE POWER

BY: _____

BY: _____

PRINT: _____

PRINT: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

WA ST CONTRACTOR'S REGISTRATION NO:

TAX IDENTIFICATION NO:



Appendix A Statement of Work

Contractor shall provide all work required including supervision, equipment, labor, materials, and incidentals for a complete installation of the work described below and detailed in the contract drawings.

This project includes the construction for the civil portion of Sunheaven #3 substation. The project will be located within easements provided by the underlying property owners which are farming operations. All permits and easements will be secured by the District prior to the Sunheaven #3 Substation Civil Construction Project.

The site includes the following:

- Site prep (substation and approaches)
- Site grading
- Underground facilities (conduit, ground grid, footings/foundations, etc.)
- Substation fencing and associated grounding
- Substation finish rock and approach rock

See project drawings and specifications for additional details.

1. Contractor shall provide red-line "as-built" markups of the work performed.
2. Contractor may provide and locate a portable office and portable toilet at Sunheaven #3 substation site. Such facilities, if utilized, shall be placed adjacent to the substation work area and located such as to not interfere with farming operations. Contractor shall be responsible for the securement of any such facilities. Contractor shall coordinate final location of any portable facilities with the CWM.
 - A. It is the Contractor's responsibility to arrange for temporary power with the BREa.
 - B. It is the Contractor's responsibility to arrange for removal of temporary power at the conclusion of the work.
3. The Sunheaven #3 Transmission Line Construction Project will be in concurrent construction with the substation by Others and has work near the substation site to set segments of the new line adjacent to the new approaches. The Contractor shall coordinate scheduling with the CWM for these overlapping areas of work.
4. The Contractor may utilize the area around the substation construction as a temporary laydown yard. Contractor shall be responsible for the securement of any such facilities. Any laydown yard area(s) shall be located such as to not interfere with farming operations, the substation construction, or the construction of the Sunheaven #3 Transmission Line



Construction Project.

5. The Contractor is required to obtain underground utility locates in accordance with Washington State Law and for coordinating work with underlying property owners. Most of the work will be done in District easements.
6. The District will provide staking for the footing locations for the substation A-frame. The Contractor shall be responsible for all other required staking of structures inside the switchyard using the A-frame footings and controlling monuments as a reference. The Contractor shall provide a construction schedule and written notice for staking needs to the District's CWM a minimum of two weeks prior to the date of need. Requests shall indicate any requested offsets. The intention is for field stakes and offsets to be placed within a reasonable time frame of construction to minimize stakes becoming dislodged.
7. Reasonable care shall be taken to minimize damage to property. The Contractor shall restore the disturbed ground to its pre-construction condition with the exception that re-seeding/re-planting of the pre-construction natural vegetation is not required. Rocks exposed during construction that are larger than 2" in diameter shall not remain on the surface nor shall they be permitted within 12" of the surface when backfilling trenches. Rocks larger than 2" in diameter that are exposed by the Contractor during trenching shall not be used in backfilling trenches and shall be removed from the project.
8. The Contractor shall provide dust control throughout the project in compliance with Benton Clean Air Agency.
9. All backfill material shall be approved by the Inspector. CDF and Engineered fill shall be provided by the Contractor and installed were required per the plans and specifications. Proposed alternatives to CDF or Engineered fill may only be utilized upon receiving written approval from the District's CWM.
10. The District's Inspector will be on-site periodically during construction. The Contractor is responsible for coordinating the construction schedule and communicating with the Inspector to ensure their availability for witnessing and approving key milestone activities such as ground grid installation, conduit installation, and any rock-hole excavation.
11. The District utilizes a 4-10's schedule, Monday-Thursday, 6:30am – 5:00 pm. If District personnel are required beyond these hours the Contractor shall be responsible for reimbursing the District for any overtime costs incurred.
12. All trucks and equipment that will be driven off the main roads shall have diesel engines.
13. In the event modifications to drawings and/or specifications sheets included with this bid



Contract #25-21-29

package occur at a later date the updated versions will be made available prior to construction.

14. Construction will be limited to daylight hours. This is generally between 7:00 am and 4:00 pm during late fall/winter and 7:00 am and 7:00 pm during summer.
15. Contractor may be on site prior to 7:00 am for tasks such as work planning or allowing vehicles/equipment to warm up.
16. A qualified high voltage electrical contractor is required for all electrical work (installation of ground grid/grounding, conduit, junction boxes, handholes, vaults, equipment placement, and associated hardware, etc.) as indicated on the drawings and specifications. A qualified high voltage electrical contractor is not required to perform the remaining scope (footings, foundations, grading, surfacing, etc.) and can be completed by a general/civil contractor.
17. Contractor shall allow for an inspection by the CWM/Inspector of ground grid and conduit work prior to any concrete pours or backfilling at the substation site. Contractor shall coordinate fall of potential ground grid testing with the CWM.
18. The locations of any known existing infrastructure to be abandoned, extended, or re-used are approximate and based on the best available information.
19. Work site is adjacent to a private road for farming operations. Contractor shall coordinate with the underlying property owner to coordinate construction traffic with the operational needs of the farm. Contractor shall also coordinate with Others who are performing construction of the Sunheaven #3 Transmission Line as access on the farm road east of the project site may be impacted at times.

General Notes

- Project Location:
 - The project is located in southern Benton County in the Sunheaven Farms area. Lat/Long of 46.08744120582292, -119.48444620987668. See site plan drawing for additional details.
- Contractor Responsible for all Flagging and Traffic control
- District Warehouse Hours are 6:30am-4:00pm Monday through Thursday except federal holidays.
- District Warehouse shall be given 48 hours' notice prior to material pick up.
- Final Construction Schedule shall be provided to Contract Work Manager prior to start of project.
- The project start, completion, and stage limiting dates will be finalized and based on a



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schedule generally balancing watering operations for the farms, switching limitations in the area, and the completion date.

- The end and beginning of farming watering operations is weather dependent but is between November 1st and March 31st on an average year. This period also generally corresponds to the end of harvest and the beginning of planting seasons which may involve the movement of farm machinery along, across, or near the new transmission line right-of-way.
- The intention is for sections of the work to be completed within the prescribed time windows to avoid impacts to the underlying farming operations and for the District to be able to facilitate requested alternate switching configurations where practicable.

Site Securement

1. Contractor shall be responsible for securing the work site and all materials/equipment stored on site.
 - A. Contractor shall provide a Conex box and temporary fencing to secure any small materials (wire, crossarms, hardware, insulators, etc.) that are stored at the laydown yard.
 - B. If the Contractor does not wish to store District Furnished small materials on site, they may collect them from the District's Warehouse as needed per the requirements below.
 - C. The District is not responsible for the security of Contractor or Contractor employees' vehicles, materials, equipment, or property.
 - D. Upon District request, the Contractor shall allow a "horseshoe" to be installed on construction fencing chain/gates to allow District personnel access while the Contractor is not on site.



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Appendix B Schedule of Payments

Contractor will be paid within a period of thirty (30) days after receipt of invoice.

The maximum amount payable by the *District* to *Contractor* under this Agreement shall not exceed \$376,950.00 plus Washington State sales Tax which includes total bid price plus 5% contingency.

Description	Price	Start and Completion Timeline
Conduit Installation	\$30,000.00	02/02/2026 - 02/13/2026
Fencing Installation	\$50,000.00	03/09/2026 – 03/27/2026
Foundation/Footing Work	\$130,000.00	01/12/2026 – 02/13/2026
Grading Work	\$100,000.00	01/05/2026 – 04/03/2026
Ground Grid Installation	\$49,000.00	03/16/2026 – 04/03/2026
\$359,00.00		TOTAL PRICE



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Appendix C Special Conditions

Changes to General Terms and Conditions: None



Contract #25-21-29

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: That whereas, **Public Utility District No. 1 of Benton County**, Washington, a municipal corporation, hereinafter designated as the "District", has entered into an agreement dated December 9, 2025, with Magnum Power, LLC, hereinafter designated as the "Contractor", providing Contract #25-21-29 – Sunheaven #3 Substation Civil Construction Project which agreement is on file at the District's office and by this reference is made a part hereof.

NOW, THEREFORE, We, the undersigned Contractor, as principal, and a corporation organized and existing under and by virtue of the laws of the State of _____

and duly authorized to do a surety business in the State of Washington, as surety, are held and firmly bound into the State of Washington and the District in the sum of Three hundred seventy-six thousand, nine hundred fifty and 00/100 dollars (\$376,950.00) for the payment of which

we do jointly and severally bind ourselves, our heirs, executors, administrators, successors, and assigns by these presents.

THE CONDITIONS OF THIS OBLIGATION are such that if the said principal, his heirs, representatives or successors, shall well and truly keep and observe all of the covenants, conditions, and agreements in said contract and shall faithfully perform all of the provisions of the contract, pay all taxes of the Contractor arising therefrom, and pay all laborers, mechanics, subcontractors, and material men and all persons who shall supply such person or subcontractors with provisions and supplies for carrying on such work, and shall indemnify and save harmless the District, their officers, and agents, from any and all claims, actions or damage of every kind and description including attorneys' fees and legal expense and from any pecuniary loss resulting from the breach of any of said terms, covenants, or conditions to be performed by the Contractor:

AND FURTHER, that the Contractor will correct or replace any defective work or materials discovered by the said District within a period of one year from the date of acceptance of such work or material by said District, then this obligation shall become null and



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void; otherwise, it shall be and remain in full force and effect.

No change, extension of time, alteration, or addition to the work to be performed under the agreement shall in any way affect Contractor's or surety's obligation on this bond, and surety does hereby waive notice of any change, extension of time, alterations or additions thereunder.

This bond is furnished in pursuance of the requirements of Sections 54.04.080 et seq. of Revised Code of Washington, and, in addition to other Contractor and surety to the District for the use and benefit of said District together with all laborers, mechanics, subcontractors, material men, and all persons who supply such person or subcontractors with provisions and supplies for the carrying on of the work covered by the agreement to the extent required by said Revised Code of Washington.

IN WITNESS WHEREOF, the said Contractor and the said surety have caused this bond to be signed and sealed by their duly authorized officers this ____ day of _____, 202__.

Surety

Title

Contractor

Title

COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2025	
Subject:	Contract Award – Contract #25-21-31 – SEL Engineering Services, Inc. - Berrian Tap Capacitor Control Replacements	
Authored by:	Rosa Mitchell	Staff Preparing Item
Presenter:	Evan Edwards	Staff Presenting Item (if applicable or N/A)
Approved by:	Steve Hunter	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
☒ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☐ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☒ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion authorizing the General Manager on behalf of the District to award and sign Contract #25-21-31 in substantially the for submitted for Berrian Tap capacitor Control Replacement to SEL Engineering of Ridgefield, WA for a not to exceed amount of \$189,200.00 plus Washington State sales tax.

Background/Summary

The Berrian tap consists of H2F1 River, Berrian, Irrigro, and Spaw substations. Large multistage capacitors are located at H2F1 River, Berrian, and Spaw substations. These capacitor banks provide voltage support for the Berrian tap substations during alternate transmission system configuration. This summer, while testing the Berrian tap multi-stage capacitor harmonic responses, we found the Berrian sub capacitor control no longer reliably functioned. All three capacitor banks and controls were installed in 2012/2013 and like for like replacements of the controls are no longer available.

The District then reached out to vendors requesting proposals for the replacement of controls for all three Berrian tap multistage capacitor banks.

The District utilizes a Sole Brand for SEL protective relays, automation controllers and communication devices, the successful proposal would include a SEL control. Additionally, the proposal would include a control scheme to implement functionality of the existing control systems and include provisions for updated SCADA integration. Additionally, the proposal was to include the design and construction of the control and enclosure, various drawings including protection one-line and installation drawings, and control settings development. The proposal would also include onsite testing and commissioning assistance which we plan to utilize for the first capacitor control replacement job. This experience would then serve to train staff on the remaining capacitor control replacements.

The District reached out to several vendors including Elgin, Castle Power (original manufacturer), NEPSI, and SEL. The District received one proposal from SEL for the amount of \$189,200.00. Below is a detail of responses from contacted vendors:

Vendor/Manufacturer	Controller	Notes
SEL	SEL 487V	Will provide a SEL control, custom logic, engineering and commissioning testing
Elgin	ABB or SEL 487V	Normally uses ABB control, could design for SEL 487V but would not provide the needed custom logic
NEPSI	N/A	Will not retrofit a control on another manufacturers capacitor
Castle Power Solutions	N/A	Out of business
Satec	N/A	The existing control is Satec. A like for like replacement is no longer available.

Recommendation

Approving the purchase of the multistage capacitor control systems, detailed in the attached proposal from SEL, will allow the district to upgrade the existing controls, bring the SCADA control for these devices up to current standards, and ensure continued reliable capacitor operations.

Fiscal Impact

This purchase was not included in the 2026 proposed budget. A 2026 budget amendment for this purchase as well as District labor will be required.



CONTRACT #25-21-31

**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY
AGREEMENT FOR SERVICES**

Multi-Stage Capacitor Control Upgrade

1. PARTIES

This Agreement is entered into by and between ***Public Utility District No. 1 of Benton County*** with its principal place of business located at 2721 W. 10th Avenue, Kennewick, Washington, hereinafter referred to as the "*District*" and ***SEL Engineering Services, Inc.*** with offices and its principal place of business located in Kennewick, WA, hereinafter referred to as the "*Vendor*".

2. STATEMENT OF WORK

Provide Multi-Stage Capacitor Control Upgrades and Commission as described in Appendix A.

3. COMPENSATION

The Vendor will be paid within a period of thirty (30) days after receipt of invoice and in accordance with Appendix B - Schedule of Payments, attached hereto.

The maximum amount payable by the District to the Vendor under this Agreement shall not exceed \$189,200.00.

4. TERM OF AGREEMENT

This Agreement shall commence on December 9, 2025, and terminate by November 18, 2026.

5. DOCUMENTS INCORPORATED

The following documents are, by this reference, incorporated into and made a part of this Agreement for Services.

Appendix A - Statement of Work
Appendix B - Schedule of Payments
Appendix C - Special Conditions (if applicable)
Appendix D – Reimbursement of Expenses
Appendix E – Confidentiality and Nondisclosure Agreement
Appendix F – Data and Information Security Clause

Also incorporated by this reference are "General Terms and Conditions - District Agreement for Services" (attached).



6.ADMINISTRATION

The District's Contracting Officer for this work is Michelle Ochweri. The District's Technical Representative for this work is Rosa Mitchell.

7.BOUND PARTIES

This Agreement shall be binding upon the parties hereto and their representatives, heirs, executors, successors and assigns.

8.EXECUTION

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

The District is a public entity subject to the disclosure requirements of the Washington Public Records Act of RCW 42.56. The vendor expressly acknowledges and agrees that its proposal and any information vendor submit with its proposal or which vendor submits to the District in its performance of any contract with the District is subject to public disclosure pursuant to the Public Records Act or other applicable law and the District may disclose vendor's proposal and/or accompanying information at its sole discretion in accordance with its obligations under applicable law.

The District must comply with the Preservation and Destruction of Public Records RCW 40.14. The vendor expressly acknowledges and agrees that it will maintain all records and documentation related to the contract in accordance with its obligations under applicable law.

In the event that the District receives a request pursuant to the Washington Public Records Act, or other legal process requesting or mandating disclosure of any information or documents submitted to the District by vendor, the District's sole obligation shall be to notify the vendor promptly, so that the vendor at vendor's expense and cost, may seek court protection of any of the requested information vendor deems confidential.

**PUBLIC UTILITY DISTRICT NO. 1
OF BENTON COUNTY**

SEL ENGINEERING SERVICES, INC.

BY:_____

BY:_____

PRINT:_____

PRINT:_____

TITLE:_____

TITLE:_____

DATE:_____

DATE:_____



GENERAL TERMS AND CONDITIONS
Agreement for Services

1. DEFINITIONS

A. *District*

"*District*" shall mean Public Utility District No. 1 of Benton County, a municipal Corporation of the State of Washington.

B. *Vendor*

"*Vendor*" shall mean the person, firm, partnership, or corporation who has executed this Agreement.

C. *Subcontractor*

A person, firm, partnership, or corporation having a contract with *Vendor* or with a Subcontractor to any tier of *Vendor* for the performance of any part of the work.

2. AGREEMENT

This Agreement represents and incorporates the entire understanding of the parties hereto concerning the statement of work specified in Appendix A, and each party acknowledges that there are no warranties, representations, covenants or understandings of any kind, manner, or description whatsoever by either party to the other except as expressly set forth and herein above written.

3. INDEPENDENT VENDOR

In performing services under this Agreement, *Vendor* shall operate as and have the status of an independent *Vendor* and shall not act as or be an agent or employee of the *District*. For this reason, all of the *Vendor's* activities will be at its own risk.

Vendor confirms that *Vendor* has not retired under the Washington State 2008 early retirement factors program.

4. PROFESSIONAL CONDUCT

Vendor agrees to perform its services with that standard of care, skill and diligence normally provided by a professional person in the performance of such services in respect to work like that hereunder. *Vendor* is hereby given notice that the *District* will be relying on the accuracy, competence, and completeness of *Vendor's* services hereunder in utilizing the results of such services.



5. **INDEMNIFICATION**

Vendor shall protect, hold free and harmless, defend and pay on behalf of the *District* (including its managers, commissioners and employees) all liability, penalties, costs, losses, damage, expense, causes of action, claims, or judgments, (including attorney's fees) resulting from injury or death, sustained by any person (including *Vendor's* employees) or damage to property of any kind which injury, death, or damage arises out of or is in any way connected with *Vendor's* performance of this contract. *Vendor's* hold harmless agreement shall apply to any act or omission, willful misconduct, or negligence whether passive or active, on the part of *Vendor* (its agents or employees); except, that this agreement shall not be applicable to injury, death, or damage to property or persons arising from the sole negligence or the sole willful misconduct of Public Utility District No. 1 of Benton County, its managers, commissioners, and employees.

In any and all claims against the *District* by any employee of *Vendor*, the indemnification and hold-harmless obligation herein shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the *Vendor* under worker's compensation acts, disability benefit acts, or other employee benefit acts, AND *VENDOR* SPECIFICALLY AND EXPRESSLY WAIVES ANY IMMUNITY UNDER SUCH ACTS. *VENDOR* ACKNOWLEDGES THAT THIS WAIVER HAS BEEN MUTUALLY NEGOTIATED BY THE PARTIES.

6. **INSURANCE**

The *Vendor* shall have, and maintain throughout the Contract period, insurance and benefits in the following minimum requirements:

- (a) Workers' compensation insurance, Social Security, Federal Income Tax deductions, and any other taxes or payroll deductions required by law for, or on behalf, of its employees.
- (b) Employer's liability, professional liability, commercial general liability (bodily injury and property damage) and comprehensive auto-mobile liability (bodily injury and property damage) insurance, with each policy having maximum limits of not less than \$1,000,000.
- (c) *Vendor* shall provide an endorsement on the Commercial General Liability and Property Damage policy naming the District as additional insured and add a separation of insured clause or a cross liability endorsement.

The *District* shall have the right at any time to require commercial general liability, automobile liability, and property damage insurance greater than those required in subsection (b) of this section.

Vendor shall deliver to the Purchasing Department of the *District*, no later than ten (10) days after



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award of the Agreement, but in any event prior to execution of the Agreement by the *District* and prior to commencing work, Certificates of Insurance, identified on their face as the Agreement Number to which applicable, as evidence that policies providing such coverage and limits of insurance are in full force and effect, which Certificates shall provide that not less than thirty (30) days advance notice will be given in writing to the *District* prior to cancellation, termination or alteration of said policies of insurance. Such advance notice of cancellation, termination, or alteration of said policies shall be delivered to the Purchasing Department of the *District*.

7. WAGES

If applicable, The *Vendor* shall comply with Revised Code of Washington Section 39.12, providing for payment of prevailing wages. No workman, laborer, or mechanic employed in the performance of any part of this contract shall be paid less than the 'prevailing rate of wage' as determined by the industrial statistician of the Department of Labor and Industries. The schedule of the prevailing wage rates for the locality or localities where this contract will be performed is by reference made a part of this contract as though fully set forth herein.

It will be the responsibility of the *Vendor* to pay all filing fees necessary to comply with RCW 39.12.

Additionally, the *Vendor* shall conform to the wage rates, employee benefits, and working conditions expressed in the current collective bargaining agreement applicable to I.B.E.W. Local 77 construction membership. Verification of payment will be furnished to the *District* by way of certified payroll documents upon *District* request. This requirement can be fulfilled by the *Vendor* having an agreement with Local 77.

8. PERFORMANCE BOND

The *Vendor* will be required to furnish a performance bond in the form attached hereto with a surety authorized to do business in the State of Washington, in a penal sum not less the 100% of the contract.

9. DISCOVERY OF CONFLICTS, ERRORS, OMISSIONS OR DISCREPANCIES

In case of conflict or discrepancies, errors, or omissions among various parts of the Agreement, the matter shall be submitted immediately by *Vendor* to the *District* for clarification. Any work affected by such conflicts, discrepancies, errors, or omissions which is performed by *Vendor* prior to clarification by the *District* shall be at *Vendor's* risk.



10. SUBCONTRACTS

Any contract entered into by *Vendor* with any subcontractor or any person or organization for the performance of this Agreement or any portion thereof without prior written consent of *District* shall be void. Consent will not be given to any proposed contract, as mentioned above, which would relieve *Vendor* or its surety of their responsibilities under this Agreement.

11. COMPLIANCE WITH LAWS

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

Vendor shall promptly give all notices and comply strictly with all laws, codes, ordinances, rules, orders, and regulations applicable to the work. *Vendor* shall hold the *District* harmless as a result of any infractions thereof by it or any of its Subcontractors.

Without limitation on the foregoing, the *Vendor* shall comply with (i) the Washington Industrial Safety and Health Act (WISHA); (ii) if required, Executive Order No. 11246, dated September 24, 1965, as amended by Executive Order 11375, including posting of notices, filing of reports, and initiation of programs; and, if required, the *Vendor* also will contract with all of its vendors, subcontractors, and/or agents to comply with the foregoing Executive Orders.

12. TERMINATION

The *District* may, by written notice to the *Vendor*, terminate this Agreement in whole or in part any time, either for the *District's* convenience, or for the default of *Vendor*. Upon such termination, all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by the *Vendor* in the exclusive performance of this Agreement shall, in the manner and to the extent determined by the *District*, become the property of and be delivered to the *District*.

If the termination is for the convenience of the *District*, an equitable adjustment in the Agreement price shall be made by Agreement between *Vendor* and the *District* in the compensation to be paid *Vendor* under this Agreement, but no amount shall be allowed for anticipated profit or unperformed services.

If, after notice of termination for failure to fulfill Agreement obligation, it is determined that the *Vendor* had not so failed, the termination shall be deemed to have been affected for the convenience of the *District*. In such event, adjustment in the Agreement price shall be made as provided in



paragraph ii, above.

The rights and remedies of the *District* provided in this Article are in addition to any other rights and remedies provided by law or under this Agreement.

13. CHANGES

The *District* may at any time, by written order, make changes within the Statement of Work of the Agreement in the services to be performed. If such changes cause an increase or decrease in the cost of, or time required for performance of any services under this Agreement, an equitable adjustment shall be made, and the Agreement shall be modified in writing accordingly. Any claim for adjustment under this Article must be asserted in writing within thirty (30) days from the date of receipt by the *Vendor* of the notification of change, unless the *District* grants a further period before the date of final payment under the Agreement.

No services for which an additional cost or fee will be charged by the *Vendor* shall be furnished without the prior written authorization of the *District*.

14. PROGRESS REVIEW

The services performed under this Agreement shall be subject to review by the *District*. This periodic review shall not relieve the *Vendor* of responsibility for proper performance of the services.

15. AUDITS

The *Vendor* shall, during the life of this contract and for a period of three (3) years following final settlement and close out of the contract, retain sufficient evidence, which shall be freely disclosed to the *District*, its agents, representatives, and the Bonneville Power Administration to permit verification of proper performance of entitlement to payments for work under this contract.

16. PUBLIC RECORDS

The *Vendor* shall provide public records submitted in the manner directed by the *District*. The *Vendor* shall maintain on file and have available to the *District* its calculations in legible form for a period of three (3) years following termination of this Agreement drawings, specifications, reports and any other documents prepared by the *Vendor* in connection with any or all the services furnished hereunder shall be the property of the *District*.



17. INVOICES

Vendor shall invoice referencing this Agreement number and the Work Release Order Number, if any. Invoices shall be numbered, itemized, and supported by proper documentation in accordance with the provisions of Appendix B, Schedule of Payments. Invoices are to be emailed Accounts Payable at ap@bentonpud.org.

18. REIMBURSEMENT OF EXPENSES

General:

Expenses of a personal nature which do not benefit the *District*, and which might have been incurred whether the traveler was on official business are not reimbursable. These include entertainment, alcoholic beverages, clothes laundering or dry cleaning, traffic violations, side trips not related to *District* business, expenses of family or other persons not authorized to receive reimbursement from the *District*, trip insurance, and personal purchases.

Receipts for hotel/motel accommodations, air travel, and rental car shall be attached to invoices as documentation of expenditures, regardless of amount. Receipts for taxi, other forms of local travel, parking fees and other incidental expenses need not be attached unless the amount of the claim exceeds \$35 per item.

Transportation:

Travel should be by the most direct route available, and the mode of transport should be the one that is most economical and consistent with the purposes of the trip. The traveler should accept the lowest transportation fares meeting the trip requirements. Indirect routing and stopovers for personal reasons are to be approved in advance and noted on the Travel Expense Report. Related additional costs are not reimbursable.

Lodging:

Payment for lodging is at actual cost for reasonable accommodations, which can vary depending on the location of travel.

Travelers are required to attach an itemized lodging receipt for approved occupancy to the invoice.



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Meals:

Travelers are eligible to receive a per diem meal allowance while conducting official *District* business. Receipts are not required. Travelers are eligible to receive a meal allowance if the business trip requires them to be in travel status during their normal mealtime (i.e., breakfast, lunch, or dinner). The per diem meal allowance is a reimbursement for meal expenses. Per diem amounts will be reduced in instances where a traveler does not incur expenses for meals because they are furnished or included in the registration fee for a meeting or conference. Per diem meal allowances are not reduced for meals served on airlines or for continental breakfast served at the hotel or seminar/conference.

IRS Publication, 1542, *Per Diem Rates*, will provide per diem rates for travel within the continental United States, Finance & Administrative Services will maintain a table of the per diem rates, including tax and tip, which shall establish the maximum reimbursement for single meals.

The *District* Auditor may approve an exception to the per diem meal allowance and allow for the reimbursement of actual meal expenses under special circumstances. In such cases, receipts will be required for reimbursement. Reimbursement for tips and gratuities will be limited to 18% of the meal cost.

Contact Finance & Administrative Services for per diem rates for foreign travel.

Communication Expenses:

The cost of business telephone calls is reimbursable, including brief calls (up to 5 minutes) to a traveler's home relating to safe arrival, change in travel plans and airport transportation. Charges for fax machine and Internet are eligible for reimbursement if *District* business requires such communication.

Other Expenses:

Actual costs are reimbursed for necessary baggage handling and other incidental business expenses, including reasonable and customary tips for valet service and housekeeping.

19. NOTICES

Any notice required to be given under this Agreement shall be given by depositing in the U.S. Mail with registered postage prepaid to the address of the *District* or *Vendor*, respectively, as set forth herein and shall be effective on the date of mailing as shown by the postmark or shall be given in writing served on an officer of the *Vendor* or on the Manager of Procurement of the *District*.



20. TITLE

The *District* shall retain title to all *District* furnished property. All *District* property and all property acquired by the *Vendor*, or its subcontractors are subject to the provisions of this clause. If this contract contains a provision directing the *Vendor* or its subcontractor to purchase material or equipment for which the *District* will reimburse the *Vendor* or its subcontractors as a direct item of cost under this contract –

- a) Title to material and equipment purchased from a vendor shall pass to and vest in the *District* upon random delivery of such material and equipment, and
- b) Title to all other material and equipment shall pass to and vest in the *District* upon
- c) Issuance of the material and equipment for use in contract performance; or
- d) Commencement of proceedings of the material and equipment or its use in contract performance; or
- e) Reimbursement of the cost of the material and equipment by the *District*, whichever occurs first.



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Appendix A

Statement of Work

1. CABINET BOM

Table 1. Berrian Wallmount Cabinet BOM.

Item	Qty	Manufacturer	Part/Model Number	Description
1	1	SEL	TBD	Wallmount Enclosure, 30"Hx24"Wx16"D, ANSI 61
2	1	SEL	TBD	Swing Panel
3	1	SEL	TBD	Ground bar
4	1	SEL	487V#JJBB	SEL-487V Capacitor Bank Protection, Automation, and Control System
5	1	ABB	498A015G01	Test Switch, FT-1, 10 pole
6	1	Bussmann	HM25030-2SR	Fuse Holder, 2 pole
7	2	Bussmann	HM25030-3SR	Fuse Holder, 3 pole
8	5	Bussmann	NON-10	Fuse 10A
9	6	GE	EB25B12	Terminal Block, 12 pole
10	2	SEL	EB27B04	Shorting Terminal Block



Table 2. Spaw Wallmount Cabinet BOM.

Item	Qty	Manufacturer	Part/Model Number	Description
1	1	SEL	631-0516	Wallmount Enclosure, 30"Hx24"Wx16"D, ANSI 61
2	1	SEL	TBD	Swing Panel
3	1	SEL	TBD	Ground bar
4	1	SEL	487V#JJBB	SEL-487V Capacitor Bank Protection, Automation, and Control System
5	1	ABB	498A015G01	Test Switch, FT-1, 10 pole
6	1	Bussmann	HM25030-2SR	Fuse Holder, 2 pole
7	2	Bussmann	HM25030-3SR	Fuse Holder, 3 pole
8	5	Bussmann	NON-10	Fuse 10A
9	6	GE	EB25B12	Terminal Block, 12 pole
10	2	SEL	EB27B04	Shorting Terminal Block

Table 3. H2F1 Wallmount Cabinet BOM.

Item	Qty	Manufacturer	Part/Model Number	Description
1	1	SEL	631-0516	Wallmount Enclosure, 30"Hx24"Wx16"D, ANSI 61
2	1	SEL	TBD	Swing Panel
3	1	SEL	TBD	Ground bar
4	1	SEL	487V#JJBB	SEL-487V Capacitor Bank Protection, Automation, and Control System
5	1	ABB	498A015G01	Test Switch, FT-1, 10 pole
6	1	Bussmann	HM25030-2SR	Fuse Holder, 2 pole
7	2	Bussmann	HM25030-3SR	Fuse Holder, 3 pole
8	5	Bussmann	NON-10	Fuse 10A
9	6	GE	EB25B12	Terminal Block, 12 pole
10	2	SEL	EB27B04	Shorting Terminal Block



2. SCOPE DETAIL

Equipment Deliverables

- SEL ES will provide equipment listed in BOMs above to Benton PUD ("Customer").

Relay Settings Deliverables

SEL ES will develop relay settings for three (3) SEL-487V relays using ACSELERATOR QuickSet® SEL-5030 Software (*.rdb format). The following assumptions and requirements apply:

- Two (2) SEL-487V relays are assumed to have identical settings (Burien and Spaw-2 stage controller).
- One (1) SEL-487V relay will be programmed as a 3-stage controller (H2F1).
- The relays will utilize the native universal sequencer logic to manage automatic sequencing of capacitor bank tripping and closing, ensuring balanced close times across all banks. The native sequencer logic is intended to replace existing PLC controls.
- The relays will include logic necessary to interface with the capacitor bank vendor's interlocking and control systems, in compliance with warranty and operational requirements.
- The relay will include basic remote trip/close command for each capacitor bank based on the existing PLC logic and will be based on Customer provided list of remote bits.
- Testing of the SEL-487V relay settings will be conducted by SEL ES in their office in Pullman, WA.

Design and Drafting Deliverables

An initial set of drawings for the Customer to review, comment, and approve consisting of the following:

- Drawing index or drawing transmittal sheet that includes drawing number,



revision number, and description.

- Protection one-line diagram.
- Panel layout/bill of materials drawing.
- Nameplate drawings.
- Panel mechanical drawing (typically provided by panel builder).
- AC schematics.
- DC schematics.
- Wiring diagrams.
- Logic drawings.
- Required demolition/installation drawings from SEL ES for the Customer to perform.
- A final set of the above drawings that has been approved by the Customer.

Documentation Deliverables

SEL ES will provide the following: Protection system settings in ACSELERATOR QuickSet® SEL-5030 Software database file format including:

- Three (3) SEL-487V Capacitor Bank Protection, automation, and control system relays.
- Relay label template including targets and pushbuttons.

An initial set of drawings for the Customer to review, comment, and approve consisting of the following:

- Drawing index or drawing transmittal sheet that includes drawing number, revision number, and description.
- Protection one-line diagram.
- Panel layout/bill of materials drawing.
- Nameplate drawings.
- Panel mechanical drawing (typically provided by panel builder).
- AC schematics.
- DC schematics.
- Wiring diagrams.
- Logic drawings.



- Required demolition/installation drawings from SEL ES for the Customer to perform.

A final set of the above drawings that have been approved by the Customer.

A Functional Design Specification (FDS) document will be created for this project detailing the specific project details.

Installation and Commissioning Deliverable

- SEL ES will provide a total of three (3) days of onsite support by two (2) engineers/technicians (total of six (6) man-days) at the Customer's sites. Each installation site will require one (1) day onsite testing and a mobilization cost. This includes the cost of travel and related expenses.
- The support provided is only for testing and commissioning of the devices. No demolition/installation/wiring is included in this scope of work. Price listed includes the cost of travel and related expenses.
- Revision 1: Removed the cost of the Doble as we will be utilizing the customer Doble. Two additional mobilizations have been added since the cabinets will be installed at separate times. Berrian site will be first.

SEL ES will also provide and/or complete the following:

- Isolation commissioning, testing, and restoration plan.
- Relay Omicron or Doble test plans.
- Relay Omicron or Doble test reports.
- Relay Sequence of Events summary.
- Triggered relay event reports after energization.
- As-left relay setting files.
- Red-marked P&C drawings.
- Field Service Report.
- Drawing point-to-point wiring check markups.
- Customer-specific required training for work at Customer facility.



3. Clarifications and Exceptions

SEL ES developed the scope of work, schedule, and price based on the information provided to us as listed in this proposal. Should additional or changed work be required, including such work resulting from unusual conditions or for any other reasons that are not evident from the information provided, changes to the price or schedule may result.

SEL ES will assign a project manager to the project. The project manager will oversee and maintain the schedule within SEL ES. The project manager will also be the point of contact with the Customer in order to maintain a smooth flow of information.

For safety reasons, SEL ES service personnel will not plan to work more than 10 hours per day. Should job requirements dictate work hours in excess of 10 hours per day, SEL ES and the Customer must review the requirements and agree on an appropriate plan that addresses safety concerns and the reasonableness of the hardship that the excessive hours place on SEL ES personnel.

Clarifications

1. No demolition, installation or wiring from SEL ES is included in the optional scope of work. SEL ES is contracted to perform only testing and commissioning of the enclosures. The enclosures and controllers are assumed to be wired and in-place before SEL ES mobilization to the work site.
2. SEL ES is not registered to practice engineering or land surveying in the state of Oregon but will comply with ORS 672.002 and 672.325 by having an individual holding a valid Oregon certificate of registration in responsible charge of the work prior to performing any engineering work in Oregon.
3. Panel products provided in this scope of work are not UL listed. UL listing service is available as an option.
4. The Customer will assist in obtaining all required information and act as the point of contact until all information is received and validated from all equipment vendors.
5. The Customer will assist SEL ES in obtaining any relevant information regarding the mechanical and electrical interlocking scheme from the vendor of the capacitor banks.



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6. SEL ES will perform this project work based on the information and data provided by the Customer. Subsequent design revisions after SEL ES starts the project may require a change order for additional costs and may affect the final deliverables date.
7. Hardware and settings development for non-SEL devices, including routers and gateways, are not included in the scope.
8. For deliverable settings, SEL ES has allowed for one (1) revision cycle based on Customer review; any additional revisions cycles may results in an extra change.
9. Design scope assumes updating customer single-line drawing, AC and DC drawings only. SEL ES standard drawing templates will be adopted for the new logic drawings and wiring drawings for the enclosures.
10. Design drawings review or update to show removal of PLC is not included in the scope of work.

Appendix B
Schedule of Payments**EQUIPMENT PRICING**

Table	Description	Part Number	Price (USD)	Ext. Price (USD)
1	Berrian Wallmount Cabinet	Per BOM in Table 1	\$22,631.00	\$22,631.00
2	Spaw Wallmount Cabinet	Per BOM in Table 2	\$22,631.00	\$22,631.00
3	H2F1 Wallmount Cabinet	Per BOM in Table 3	\$22,631.00	\$22,631.00
N/A	Freight to Kennewick, WA	N/A	\$563.00	\$563.00
Product Total				\$68,456.00

SERVICE PRICING

Description	Price (USD)
Relay Settings Development SEL ES will develop relay settings for three (3) SEL-487V relays using ACCELERATOR QuickSet SEL-5030 Software (*.rdb format). - Two (2) SEL-487V relays are assumed to have identical settings (Burien and Spaw - 2 stage controller). - One (1) SEL-487V relay will be programmed as a 3-stage controller (H2F1). - The relays will utilize the native universal sequencer logic to manage automatic sequencing of capacitor bank tripping and closing, include logic necessary to interface with the capacitor bank vendor's interlocking and control systems and include basic remote trip/close command for each capacitor bank based on the existing programmable logic controller (PLC). - A Functional Design Specification (FDS) document will be created for this project detailing the specific project details.	\$43,890.00



Design and Drafting Services SEL ES will develop the following protection and control drawings (new or update existing): • Protection one-line diagram. • Panel layout/bill of materials drawing. • Nameplate drawings. • Panel mechanical drawing (typically provided by panel builder). • AC schematics. • DC schematics. • Wiring diagrams. • Logic drawings. • Required demolition/installation drawings from SEL ES for the Customer to perform. <i>Note: All drawings will be provided in AutoCAD format (.dwg) version 2013 unless otherwise noted.</i>	\$36,726.00

Description	Price (USD)
Installation and Commissioning (Option Selected) SEL ES will provide one (1) day of onsite support by two (2) engineers/technicians for each cabinet location (total of six (6) man-days) at the Customer's facility near Kennewick, WA. Since the cabinets will be installed and tested at separate times, each site has separate mobilization costs for the traveling engineers. The support provided is only for testing and commissioning of the devices. No demolition/installation/wiring is included in this scope of work. Price listed includes the cost of travel and related expenses. SEL ES will utilize Benton's Doble unit during the testing days. It is expected that the Berrian site will be the first to be installed and tested.	\$40,128.00
Services Total	\$120,744.00

All quoted prices are exclusive of any sales, value-added, or similar taxes, which will be added, if applicable, at the statutory rate(s) at the time of invoicing.



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PAYMENT SCHEDULE

No.	Description	Payment %	Payment \$
1	Completion of Relay Settings	20%	\$47,300.00
2	Completion and Acceptance of Design & Drafting	20%	\$47,300.00
3	Equipment Received and Accepted	20%	\$47,300.00
4	Installation & Commissioning	20%	\$47,300.00
		Total	\$189,200.00

*Washington State Sales Tax to be included on payments



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Appendix C

Special Conditions

Changes to General Terms and Conditions: None



Appendix D

Reimbursement of Expenses

General:

As a public entity, good stewardship requires expenses to be allowable, accurate and reasonable. Expenses that do not meet these criteria may be denied for reimbursement. Expenses of a personal nature which do not benefit the District, and which might have been incurred whether the traveler was on official business are not reimbursable. These include entertainment, alcoholic beverages, clothes laundering or dry cleaning, traffic violations, side trips not related to District business, expenses of family or other persons not authorized to receive reimbursement from the District, trip insurance, and personal purchases.

Receipts for hotel/motel accommodations, air travel, rental car, baggage fees, any other airline fees and airport parking shall be attached to invoices as documentation of expenditures, *regardless of amount*. Receipts for meals must be attached to invoices if the per diem method is not used (see Meals). Receipts for taxi, other forms of local travel, parking fees and other incidental expenses need not be attached unless the amount of the claim exceeds \$35.00 per item.

Transportation:

Travel should be by the most direct route available, and the mode of transport should be the one that is most economical and consistent with the purposes of the trip. The traveler should accept the lowest transportation fares meeting the trip requirements. In the case of indirect routing and stopovers for personal reasons, reimbursable expenses are to be limited to the most economical cost of the direct route, while any additional expenses are not reimbursable. Benton PUD reserves the right to make partial reimbursement if transportation costs are excessive or unreasonable.

Lodging:

Payment for lodging is at actual cost for reasonable accommodations at a commercial lodging establishment, which can vary depending on the location of travel. Vendors should stay at the most cost-effective location, considering lodging and transportation costs, meeting location, and personal safety. Benton PUD reserves the right to make partial reimbursement if lodging costs are excessive or unreasonable. If Vendor has questions or concerns, they should seek advance approval.

The lodging expense limitations should be applied to the lodging rate before taxes. Thus, the amount reimbursed or paid for lodging expenses may exceed the established lodging limitation.

Travelers are required to attach an itemized lodging receipt for approved occupancy to the invoice.



The following items must be included on the itemized receipt:

- Traveler's name or names
- Name and address of the place of lodging
- Date(s) occupied
- Actual rate charged per room

Other charges such as tips, room service, movies, personal phone calls, laundry services, late checkout fees, meals or miscellaneous charges are not included in the lodging expense and are not reimbursable.

Pre-approval from the District will be required if the travelers intend on staying longer than five (5) business days.

Meals:

Travelers must choose between per diem reimbursement and actual meal costs documented by receipts. Only one method may be used for this contract. If actual meal cost reimbursement is chosen, reimbursement may be denied if no receipt is provided. The District reserves the right to limit meal expenses to the maximum per diem (M&IE) amount referred to in the next paragraph. Actual costs more than the maximum per diem (M&IE) amount will be reviewed by the Contract Work Manager and the District's Auditor or Deputy Auditor.

Per Diem (M&IE)

If the per diem method is chosen, then travelers are eligible to receive the per diem and incidental expense (M&IE) allowance authorized by the IRS while conducting official District business. Receipts are not required. The M&IE allowance will be paid up to a maximum of 75% of the M&IE allowance on days of departure and return. Per diem amounts will be reduced in instances where a traveler does not incur expenses for meals because they are furnished or included in the registration fee for a meeting or conference. Per diem meal allowances are not reduced for limited continental breakfasts served at the hotel or seminar/conference. The per diem M&IE allowance recognized by the IRS is published by the U.S. General Services Administration (www.gsa.gov/perdiem) for travel within the continental United States.

Incidental expenses that are included in the per diem M&IE allowance include fees and tips given to porters, baggage carriers, bellhops, and housekeeping.

Actual Meal Costs

Actual meal costs are reimbursable and must be accompanied by a detailed receipt listing the items purchased. Credit card receipts without details of the expenditures are not acceptable. The



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purchase of alcoholic beverages is not reimbursable. If actual meal costs are submitted for reimbursement, the District may deny reimbursement for lack of detailed receipt or unreasonable costs. The District will reimburse tips up to 18%. Tips of \$3 or less are acceptable regardless of the cost of the meal.

Communication Expenses:

The cost of business telephone calls is reimbursable, including brief calls (up to 5 minutes) to a traveler's home relating to safe arrival, change in travel plans and airport transportation.

Charges for fax machine and Internet are eligible for reimbursement if District business requires such communication.

Other Expenses:

Actual costs for reasonable and substantiated business costs are reimbursed for other incidental business expenses not specifically included in the per diem M&IE allowance and not specifically addressed elsewhere.



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Appendix E Confidentiality and Nondisclosure Agreement

This Confidentiality Agreement ("Agreement") is by and between **Public Utility District No. 1 of Benton County** ("the District"), a municipal corporation governed under RCW 54 of the laws of the State of Washington, and **SEL Engineering Services, Inc.** ("Vendor").

The District is a public entity subject to the disclosure requirements of the Washington Public Records Act of RCW 42.56. All records submitted to the District in this RFP are public records subject to disclosure unless exempt under RCW 42.56. It is the vendor's (proposer's) responsibility to understand the requirements of RCW 42.56. The District, as a public entity, must comply with public disclosure laws. As such, the District may be obligated to release information marked as proprietary and confidential, including but not limited to proposals and contract documents, in response to a formal public records request. Specific information and records submitted to the District in response to this RFP that the vendor desires to claim as exempt from disclosure under the provisions of RCW 42.56, or other state or federal law that provides for the nondisclosure of information **must** be clearly identified and designated as "Exempt Information". If a public records request is received by the District for any information that is marked as "Exempt Information", the District will notify the proposer of the request and that the records will be released to the requester on a specific date unless the proposer obtains a court order enjoining the disclosure by the date specified. The District assumes no contractual obligation to support or enforce any claim of exemption by the proposer.

For purposes of this Agreement, "Confidential Information" shall include the District's customer, employee, or vendor information, all technical and business information or material that has or could have commercial value or other interest in the business or prospective business of the District, and all information and material provided by the District which is not an open public record subject to disclosure under the Washington Public Records Act. Confidential Information also includes all information of which unauthorized disclosure could be detrimental to the interests of the District or its customers, whether such information is identified as Confidential Information.

For purposes of this Agreement, "Vendor" shall include all employees, consultants, advisors and subcontractors of Vendor ("its Representatives").

Vendor hereby agrees as follows:

1. Vendor and its Representatives shall use the Confidential Information solely for the purposes directly related to the business set forth in Vendor's agreement with the District and shall not in any way use the Confidential Information to the detriment of the District. Nothing in this Agreement shall be



CONTRACT #25-21-31

construed as granting any rights to Vendor, by license or otherwise, to any of the District's Confidential Information.

Vendor agrees to obtain and utilize such Confidential Information provided by the District solely for the purposes described above, and to otherwise hold such information confidential pursuant to the terms of this Agreement.

2. In the event third parties attempt to obtain the Confidential Information by legal process, the Vendor agrees that it will not release or disclose any Confidential Information until the District has notice of the legal process and has been given reasonable opportunity to contest such release of information and/or to assert the confidentiality privilege.
3. Upon demand by the District, all information, including written notes, photographs, memoranda, or notes taken by Vendor that is Confidential Information shall be returned to the District.
4. Confidential Information shall not be disclosed to any third party without prior written consent of the District.
5. It is understood that Vendor shall have no obligation with respect to any information known by it or generally known within the industry prior to the date of this Agreement or become common knowledge with the industry thereafter.
6. Vendor acknowledges that any disclosure of Confidential Information will cause irreparable harm to the District and agrees to exercise the highest degree of care in safeguarding Confidential Information against loss, theft, or other inadvertent disclosure and agrees generally to take all steps necessary to ensure the maintenance of confidentiality including obligating any of its Representatives who receive Confidential Information to covenants of confidentiality.
7. The obligation set forth in this Agreement will continue for as long as Vendor possesses Confidential Information. If Vendor fails to abide by this Agreement, the District will be entitled to specific performance, including immediate issuance of a temporary restraining order or preliminary injunction enforcing this Agreement, and to judgment for damages caused by the Vendor's breach, and to any other remedies provided by applicable law. Any breach of this Agreement shall constitute a default in performance by Vendor in any contract between the District and Vendor. If any suit or action is filed by the District to enforce this Agreement, or otherwise with respect to the subject matter of this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees incurred in the preparation or in prosecution or defense of such suit or action as affixed by the trial court, and if any appeal is taken from the decision of the trial court, reasonable attorney fees as affixed by the appellate



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court. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.



Appendix F DATA AND INFORMATION SECURITY CLAUSE

1. **Ownership.** District's data ("District Data," which shall also be known and treated by Service Provider as Confidential Information) shall include: (a) District's data collected, used, processed, stored, or generated as the result of the use of the Services; and, (b) personally identifiable information ("PII") collected, used, processed, stored, or generated as the result of the use of the Services, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements listed herein. District Data is and shall remain the sole and exclusive property of District and all right, title, and interest in the same is reserved by District. This Section shall survive the termination of this Agreement.
2. **Service Provider Use of District Data.** Service Provider is provided a limited license to District Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, and display District Data only to the extent necessary in the providing of the Services. Service Provider shall: (a) keep and maintain District Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Agreement and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose District Data solely and exclusively for the purpose of providing the Services, such use and disclosure being in accordance with this Agreement, and applicable law; and, (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available District Data for Service Provider's own purposes or for the benefit of anyone other than District without District's prior written consent. This Section shall survive the termination of this Agreement.
3. **Extraction of District Data.** Service Provider shall, within one (1) business day, or as mutually agreed to, of District's request, provide District, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Service Provider), an extract of the District Data in the format specified by District.
4. **Backup and Recovery of District Data.** As a part of the Services, Service Provider is responsible for maintaining a backup of District Data and for an orderly and timely recovery of such data if the Services may be interrupted. Service Provider shall maintain a contemporaneous backup of District Data that can be recovered within two (2) hours, or as mutually agreed to, at any point in time. Additionally, Service Provider shall store a backup of District Data in an off-site "hardened" facility no less than daily, maintaining the security of District Data, the security requirements of which are further described herein. Any backups of District Data shall not be considered in calculating storage used by District.



CONTRACT #25-21-31

5. Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of District Data or the physical, technical, administrative, or organizational safeguards put in place by Service Provider that relate to the protection of the security, confidentiality, or integrity of District Data, Service Provider shall, as applicable: (a) cooperate with District in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by District; (b) in the case of PII, at District's sole election, (i) notify the affected individuals who comprise the PII as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or, (ii) reimburse District for any costs in notifying the affected individuals; (c) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twelve (12) months following the date of notification to such individuals; (d) perform or take any other actions required to comply with applicable law as a result of the occurrence; (e) without limiting District's obligations of indemnification as further described in this Agreement, indemnify, defend, and hold harmless District for any and all Claims (as defined herein), including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from District in connection with the occurrence; (f) be responsible for recreating lost District Data in the manner and on the schedule set by District without charge to District; and, (g) provide to District a detailed plan within ten (10) calendar days of the occurrence describing the measures Service Provider will undertake to prevent a future occurrence. Notification to affected individuals, as described above, shall comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Service Provider's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Service Provider has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Service Provider. This Section shall survive the termination of this Agreement.
6. Secure Software Development. Service provider or vendor shall provide evidence or documentation of Secure SDLC use, such as security requirements development and architecture risk analysis during design phases. This should include security architecture documentation for final product or implementation.
7. Encryption of Data. Any District data accessed, transferred, or stored by the service provider shall be encrypted while in transit and while at rest. Any associated passwords or cryptographic keys will be reasonably secured and managed. Provide to District data encryption plan documentation.



8. Cybersecurity threat, information, and notification. If service provider or vendor become aware of any security threats, vulnerabilities or breach impacting or involving District data or systems, District shall be notified as soon as possible, and not later than 24 hours after becoming aware of such occurrence. Vendor shall provide the District with any updated security assessment, evaluation or testing results or documentation as required by the District, throughout the duration of the product or service as used by the District in a production environment. If the District becomes aware of any previously unknown vulnerability in providers software or services, the District will notify provider of such finding within a reasonable timeframe.
9. Security review. The District may conduct an internal risk review of provider or vendor prior to commitment of services or products by the provider. Provider shall provide access to relevant security related program, product, or service documentation for purposes of completing this review. The purpose of this review is to gauge vendors ability to maintain an acceptable level of information security as it relates to products or services provided to the District. This review will include an assessment of service providers security architecture documentation, evidence of providers security policy development, incident response, disaster recovery and other related areas of information assurance as related to the project, product, or services. This review may require the completion of a risk review questionnaire by service provider.

COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2025	
Subject:	22-21-209 - Sunset -Dallas Road Transmission Line – Electrical Consultants, Inc. – Consulting and Design, Change Order #4	
Authored by:	Rosa Mitchell	Staff Preparing Item
Presenter:	Evan Edwards	Staff Presenting Item (if applicable or N/A)
Approved by:	Steve Hunter	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
☒ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☐ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☒ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion to authorize the General Manager on behalf of the District to sign Change Order #4 of Contract # 22-21-209 with Electrical Consultants, Inc. (ECI) to increase the not-to-exceed amount by \$50,000.00; bringing the new not-to-exceed amount of Contract to \$380,450.00.

Background/Summary

Engineering staff initiated a professional services contract with ECI in August 2022 for the engineering and design of the Sunset Rd to Dallas Rd Transmission Line. The design phase is now complete. Following design completion, the project timeline was revised, with construction originally deferred to 2028 resulting in ECI standing down the resources assigned to the project. The schedule has since been advanced, with construction now starting in November 2026, and to be completed by July 2027. District Staff has begun material procurement.

Due to project timeline shifts and the implementation of lessons learned on recently complete transmission line projects, design inefficiencies were created resulting in added project costs. Additional funds are needed for steel pole procurement support, future land/permitting activities, construction support and final as-built documentation.

Recommendation

Amending this contract to ensure sufficient funding is available for all remaining consulting work associated with the Sunset to Dallas Transmission Line project.

Fiscal Impact

This project has been partially deferred. The 2026 proposed budget includes \$2,500.00. An amendment to the 2026 budget will be required.



CONTRACT CHANGE ORDER

Contract #: 22-21-209

Change Order #: 4

Vendor Name: Electrical Consultants Inc.

E-Mail: joshua.doering@eciusa.com

Effective Date: 12/9/24

Contract Work Manager: Rosa Mitchell

Contract Title: Sunset Road to Dallas Road Transmission Design Consulting

Change Order Description:

Increase the not-to-exceed amount by \$50,000.00; bringing the new not-to-exceed amount of Contract to \$380,450.00.

Change order Total:	\$50,000.00
Original Contract Total:	\$305,450.00
New Contract Total:	\$380,450.00

EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE CONTRACT REMAIN UNCHANGED AND IN FULL FORCE AND AFFECT
The District is a public entity subject to the disclosure requirements of the Washington Public Records Act of RCW 42.56.

**PUBLIC UTILITY DISTRICT NO. 1
OF BENTON COUNTY**

ELECTRICAL CONSULTANTS, INC.

BY:

BY:

PRINT:

PRINT:

TITLE:

TITLE:

DATE:

DATE:



COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2025	
Subject:	Contract #22-33-01 – Cooperative Response Center, Inc. (CRC) CO#3	
Authored by:	Nikki Becker	Staff Preparing Item
Presenter:	Steve Hunter	Staff Presenting Item (if applicable or N/A)
Approved by:	Steve Hunter	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
☒ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☐ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☒ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion authorizing the General Manager on behalf of the District to sign Change Order #3 of Contract 22-33-01, with Cooperative Response Center, Inc. (CRC) to extend the term of the contract to December 31, 2026, and increase the annual not-to-exceed amount by \$155,000; bringing the new not-to-exceed amount of the contract to \$650,000.00.

Background/Summary

The District has had a longstanding partnership with CRC for call center services including all after-hours calls and outage calls 24/7. With the implementation of the NISC software platform in 2017, the District recognized CRC as a Sole Source for call center activities. The Commission approved a new contract effective January 1, 2023, for three (3) years for \$120,000 per year for a total not to exceed amount of \$360,000 with the option to extend for two (2) additional one (1) year term.

The Commission approved a change order to this contract in September 2023 to accommodate for rate increases implemented by CRC in January 2023 which were primarily based on increasing their starting wages and number of employees. That change order increased the amount of the contract by \$75,000 increasing the total not to exceed amount to \$435,000.

Then in October of 2023, the District received notice from CRC of additional increases being implemented in January 2024. That change order increased the amounts of the contract by \$60,000 increasing the total not to exceed amount to \$495,000.

Recommendation

We recommend extending the contract for the first additional 1-year term at \$155,000 for 2026.

Fiscal Impact

The budget includes \$155,000 for 2026.



CONTRACT CHANGE ORDER

Contract #: 22-33-01

Change Order #: 3

Vendor Name: Cooperative Response Center, inc

E-Mail: scottdittrich@crc.coop

Effective Date: 1/1/26

Contract Work Manager: Steve Hunter

Contract Title: Call Center Services

Change Order Description:

Extend term of Contract to December 31, 2026 and increase the annual not-to-exceed amount by \$155,000.00; bringing the new not-to-exceed amount of the contract to \$650,000.00.

Change order Total:	\$495,000.00
Original Contract Total:	\$155,000.00
New Contract Total:	\$650,000.00

EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE CONTRACT REMAIN UNCHANGED AND IN FULL FORCE AND AFFECT
The District is a public entity subject to the disclosure requirements of the Washington Public Records Act of RCW 42.56.

**PUBLIC UTILITY DISTRICT NO. 1
OF BENTON COUNTY**

COOPERATIVE RESPONSE CENTER, INC.

BY:

BY:

PRINT:

PRINT:

TITLE:

TITLE:

DATE:

DATE:

COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2025	
Subject:	Contract #20-21-01 - Lampson International, Inc. – Change Order #6	
Authored by:	Duane Szendre	Staff Preparing Item
Presenter:	Duane Szendre	Staff Presenting Item (if applicable or N/A)
Approved by:	Steve Hunter	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
☒ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☐ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☒ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion authorizing the General Manager on behalf of the District to sign Internal Change Order #6 of Contract 20-21-01, with Lampson International, Inc. to extend the contract two years through December 31, 2027, and increase the not-to-exceed amount by \$60,000.00 bringing the new not-to-exceed amount of the contract to \$180,000.00.

Background/Summary

The District has 39 substations and 55 power Transformers currently in service. The District also has a fleet of spare transformers and regulators that can be used as direct replacements, as well as a mobile substation that can be used when repairs may be done in-place. The mobile substation and the spare equipment require a tractor for moving from site to site, and a crane must be used when putting the spare transformer or regulators into service. District Engineering and Operations departments have utilized Lampson International for lifting, placement, and transportation needs. In the past, Lampson has always been extremely responsive to the District's needs and possess a unique knowledge and ability to work with, and in, our current electrical systems.

Recommendation

Staff recommends the District extend the contract #20-21-01 for 2 years for miscellaneous heavy lifting and transporting services and adding \$60,000.00 to the contract. This brings the NTE total to \$180,000.00.

Fiscal Impact

These services provided by Lampson are typically on an "as needed" basis. Costs will be associated with work orders as they arise and will typically be included in the project estimates for capital work orders. The additional \$60,000 will be budgeted for 2026 & 2027.



CONTRACT CHANGE ORDER

Contract #: 20-21-01

Change Order #: 6

Vendor Name: Lampson International, Inc.

E-Mail: rutherford@lampsoncrane.com

Effective Date: 5/13/25

Contract Work Manager: Duane Szendre

Contract Title: Heavy Lift and Transport Services

Change Order Description:

Extend contract two year through December 31, 2027, and increase the not-to-exceed amount by \$60,000.00 bringing the new not-to-exceed amount of the contract to \$180,000.00.

Change order Total:	\$60,000.00
Original Contract Total:	\$105,000.00
New Contract Total:	\$180,000.00

EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE CONTRACT REMAIN UNCHANGED AND IN FULL FORCE AND AFFECT
The District is a public entity subject to the disclosure requirements of the Washington Public Records Act of RCW 42.56.

**PUBLIC UTILITY DISTRICT NO. 1
OF BENTON COUNTY**

LAMPSON INTERNATIONAL, INC.

BY:

BY: INTERNAL CHANGE ORDER

PRINT:

PRINT:

TITLE:

TITLE:

DATE:

DATE:



COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2029	
Subject:	Approval of the 2026 Prequalification of Contractors Resolution No. 2717	
Authored by:	Michelle Ochweri	Staff Preparing Item
Presenter:	Michelle Ochweri	Staff Presenting Item (if applicable or N/A)
Approved by:	Jon Meyer	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
☒ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☐ Business Agenda	☒ Pass Resolution	☐ Info Only
☐ Public Hearing	☐ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion adopting Resolution No. 2717, approving the 2026 Prequalification of Contractors.

Background/Summary

RCW 54.04.085 states “A district shall require that bid proposals upon any construction or improvement of any electrical facility shall be made upon contract proposal form supplied by the district commission, and in no other manner. The district commission shall, before furnishing any person, firm or corporation desiring to bid upon any electrical work with a contract proposal form, require from such person, firm or corporation, answers to questions contained in a standard form of questionnaire and financial statement, including a complete statement of financial ability and experience of such person, firm, or corporation in performing electrical work. Such questionnaire shall be sworn to before a notary public or other person authorized to take acknowledgment of deeds and shall be submitted once a year and at such other times as the district commission may require.”

There were six (6) new prequalification requests received and two (2) were not added to the list this year for the following reason:

Fiber Tel – did not provide high voltage electrical on their application.

Granite Construction – did not provide high voltage electrical on their application.

Recommendation

Attached is Resolution No. 2717 listing the contractors the District is recommending for prequalification for 2026.

Fiscal Impact

N/A

RESOLUTION NO. 2717

December 09, 2025

A RESOLUTION OF THE COMMISSION OF THE PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY
APPROVING THE 2026 PREQUALIFICATION OF CONTRACTORS.

BE IT HEREBY RESOLVED by the Commission of Public Utility District No. 1 of Benton County, that the following named contractors be prequalified in the amounts and classes indicated for calendar year 2026.

Alamon, Inc 315 W Idaho Street Kalispell, MT 59901 PH: 406-752-8838 Email: nathan.anunson@alamon.com	Single Capacity \$15M Aggregate Capacity \$30M Classes: H a,b
Basin Tree Service & Pest Control 1302 Hwy 28 W Ephrata, WA 98823 PH: 509-754-4176 Email: btsoffice@basintreeservice.com	Single Capacity \$3M Aggregate Capacity \$5M Classes: G
Black & McDonald 7700 NE Greenwood Drive, STE 200 Vancouver, WA 98662 PH: 503-457-8639 Email: bidsnw@blackandmcdonald.com	Single Capacity \$100M Aggregate Capacity \$250M Classes: A a,b,c,d,e,f,g,h,i B a,b,c,d,e C a,b D a,b,c,d,e,f E a,b,c,d,e F a,b I J
Boyd's Tree Service 6350 W Brinkley Rd, Suite 120 Kennewick, WA 99338 PH: 509-585-4194 Email: office@boydstree.net	Single Capacity \$1.5M Aggregate Capacity \$3M Classes: G I
Cannon Constructors LLC 406 Porter Way Milton, WA 98354 PH: 253-922-2787 Email: CTR@teamcannon.com	Single Capacity \$100M Aggregate Capacity \$500M Classes: A a,b,c,d,e,f,g,h,i B a,b,c,d,e C a,b D a,b,c F a,b I J

Davey Tree Surgery Company PO Box 5015 Livermore, CA 94551 PH: 925-443-1723 Email: surgery.contracts@davey.com	Single Capacity \$5M Aggregate Capacity \$160M
	Classes: G H a,b
DJ Electrical PO Box 289 Brush Prairie, WA 98606 PH: 360-666-8070 Email: bids@djelectrical.com	Single Capacity \$20M Aggregate Capacity \$40M
	Classes: A a,b,c,d,e,f,g,h,i B a,b,c,d,e C a,b D a,b,c,d,e,f E a,b,c,d,e F a,b G H a,b I
International Line Builders, Inc PO Box 23729 Portland, OR 97281 PH: 503-692-0193 Email: ilb.bids@ilbinc.com	Single Capacity \$100M Aggregate Capacity \$1.5B
	Classes: A a,b,c,d,e,f,g,h,i B a,b,c,d,e C a,b D a,b,c,d,e F a,b I
M10, Inc dba Michels Pacific Energy, Inc PO Box 15059 Tumwater, WA 98511 PH: 360-236-0472 Email: mpebids@michels.us	Single Capacity \$500M Aggregate Capacity \$4B
	Classes: A a,b,c,d,e,f,g,h,i B a,b,c,d,e C a,b D a,b,c,d,e,f E a,b,c,d,e F a,b I

Magnum Power PO Box 57 Toledo, WA 98591 PH: 360-967-2180 Email: office@magnumpower.com	Single Capacity \$7.5M Aggregate Capacity \$15M
	Classes: A a,b,c,d,e,f,g,h,i B a,b,c,d,e C a,b D a,b,c,d,e,f, E a,b,c,d,e F a,b H a,b I
MasTec, Inc dba Henkels & McCoy West PO Box 20009 Portland, OR 97294 PH: 503-255-5125 Email: hmnorthwestbids@henkelswest.com	Single Capacity \$500M Aggregate Capacity \$4B
	Classes: A a,b,c,d,e,f,g,h,i B a,b,c,d,e C a,b D a,b,c,d,e,f E a,b,c,d,e F a,b I J
Maven Utilities LLC PO Box 522 Toledo, WA 98591 PH: 360-864-6643 Email: ed@mavenutilities.com	Single Capacity \$500Th Aggregate Capacity \$2M
	Classes: A a,b B a,b,c,d,e I
Mi-Tech Services, Inc 817 Main Street Brownsville, WI 53006 PH: 920-393-5930 Email: polebids@mi-tech.us	Single Capacity \$500M Aggregate Capacity \$4B
	Classes: H a,b I J
Mountain Power 5299 N Pleasant View Rd Post Falls, ID 83854 PH: 208-667-6011 Email: lars@mountainpower.com	Single Capacity \$40M Aggregate Capacity \$80M
	Classes: A a,b,c,d,e,f,g,h,i B a,b,c,d,e C a,b D a,b,c F a,b I

National Wood Treating Co. PO Box 3418 Albany, OR 97321 PH: 541-928-5005 Email: guy@nwtco.net	Single Capacity \$750Th Aggregate Capacity \$750Th
	Classes: H a
North American Substation Services PO Box 161626 Altamonte Springs, FL 32716 PH: 407-788-3717 Email: i.lawson@nassusa.com	Single Capacity \$100M Aggregate Capacity \$1B
	Classes: A a,b,c D c,d,e,f, E a,b,c,d,e
Northwest High Voltage Services, LLC PO Box 5230 Benton City, WA 99320 PH: 509-987-3774 Email: kyle.carter@nwhighvoltage.com	Single Capacity \$750Th Aggregate Capacity \$750Th
	Classes: C a,b D a,b,c,d,e,f E a,b,c,d,e
NW Utility Services, LLC PO Box 1008 Sumner, WA 98390 PH: 253-891-7802 Email: NWUS@puie.com & Lily@puie.com	Single Capacity \$8M Aggregate Capacity \$12M
	Classes: A a,b,c,d,e,h B a,b,c,d,e C a,b D a,b,c,d,e,f F a,b I J
Olympic Electric 4230 Tumwater Truck Route Port Angeles, WA 98363 PH: 360-457-5303 Email: caseya@olympicelectric.net	Single Capacity \$10M Aggregate Capacity \$25M
	Classes: A a,b,c,d,e,h B a,b,c,d,e C a,b D a,b,c,d F a,b H b I J

Osmose Utilities Services, Inc 191 Peachtree Street NE Suite 500 Atlanta, GA 30303 PH: 770-632-6700 Email: osmosecontracts@osmose.com	Single Capacity \$10M Aggregate Capacity \$50M
	Classes: B b,c,d H a I J
Pacific Pole Inspection, LLC 2581 Mt Pleasant Rd Kelso, WA 98626 PH: 360-747-2525 Email: jpeonio@pacificpoleinspection.com	Single Capacity \$1M Aggregate Capacity \$2M
	Classes: H a,b I
Palouse Power PO Box 356 Quincy, WA 98848 PH: 509-237-8817 Email: bids@palousepower.com	Single Capacity \$20M Aggregate Capacity \$40M
	Classes: A a,b,c,d,e,f,g,h,i B a,b,c,d,e C a,b D a,b,c,d,e,f, E a,b,c,d,e F a,b H a,b I
Potelco, Inc 14103 Stewart Road Sumner, WA 98390 PH: 253-863-0484 Email: PotelcoBids@potelco.net	Single Capacity \$100M Aggregate Capacity \$500M
	Classes: A a,b,c,d,e,f,g,h,i B a,b,c,d,e C a,b D a,b,c,d,e E a,b,c,d F a,b I
Power City Electric, Inc PO Box 2507 Spokane, WA 99220 PH: 509-535-8500 Email: JSanders@powercityelectric.com	Single Capacity \$30M Aggregate Capacity \$60M
	Classes: A a,b,c,d,e,f,g,h,i C a,b D a,b,c,d F a,b I

Prater Electric 28806 S 816 PR SE Kennewick, WA 99338 PH: 509-929-0866 Email: tim@praterelectric.net	Single Capacity \$5M Aggregate Capacity \$8M
	Classes: A c,d,e,i C a,b D a,b,c,d,e,f E a,b,c,d,e F a,b
RiverLine Power LLC 1309 NE 199 th St Ridgefield, WA 98642 PH: 360-360-2611 Email: dylans@riverlinepower.com	Single Capacity \$2.5M Aggregate Capacity \$3.5M
	Classes: A a,b,c,d,e,h B a,b,c,d,e C a,b D a,b,c,d F a,b G I J
Salish Construction Co PO Box 99987 Lakewood, WA 98496 PH: 253-218-8233 Email: shotsinpiller@salishelectric.com	Single Capacity \$4M Aggregate Capacity \$8M
	Classes: A c,d,e,h
SD Myers 180 South Ave Tallmadge, OH 44278 PH: 330-630-7000 Email: stephanie.ryba@sdmyers.com	Single Capacity \$1M Aggregate Capacity \$1M
	Classes: D e,f E a,b,d,e
Sturgeon Electric Co, Inc 1500 NE Graham Road Troutdale, OR 97060 PH: 503-661-1568 Email: sturgeonbidsnw@myrgroup.com	Single Capacity \$200M Aggregate Capacity \$800M
	Classes: A a,b,c,d,e,f,g,h B a,b,c,d,e C a,b D a,b,c,d I J

Summit Line Construction 441 W Power Line Rd Heber City, UT 84032 PH: 435-657-0721 Email: estimating@summitlineconstruction.com	Single Capacity \$100M Aggregate Capacity \$500M Classes: A a,b,c,d,e,f,g,h,i B a,b,c,d,e C a,b D a,b,c,d,e,f E a,b,c,d,e F a,b I
Wilson Construction Company PO Box 1190 Canby, OR 97013 PH: 503-263-6882 Email: bids@wilsonconst.com	Single Capacity \$300M Aggregate Capacity \$600M Classes: A a,b,c,d,e,h B a,b,c,d,e C a,b D a,b,c,d,e,f E a,b,c,d,e F a,b H a,b I J
Wireless Structures Consulting Inc., dba Western Utility Telecom Inc. 5032 Salem Dallas Hwy NW Salem, OR 97304 PH: 503-587-0101 Email: seanh@westernutilitytelecom.com	Single Capacity \$8M Aggregate Capacity \$20M Classes: J

ADOPTED By the Commission of Public Utility District No. 1 of Benton County at an open meeting, with notice of such meeting being given as required by law, this 9th day of December 2025.

Jeff Hall, President

Attest:

Mike Massey, Secretary

A. DISTRIBUTION (up to 15kV):

- (a) Energized Line Work – Overhead Line Construction and/or Maintenance
- (b) Overhead Line Construction
- (c) Underground Primary (15kV) – Cable & Equipment Installation
- (d) Underground Secondary (up to 600V) - Cable & Equipment Installation
- (e) Energized Line Work – Underground Cable Installation and/or Maintenance
- (f) Plowing – Electrical Power Cable Primary and/or Secondary
- (g) Plowing – Electrical Conduit and/or Duct Bank Systems
- (h) Trenching – Electrical Conduit and/or Duct Bank Systems
- (i) Conduit Pushing and Directional Boring

B. TRANSMISSION (115kV to 230kV):

- (a) Energized Line Work – Overhead Line Construction and/or Maintenance
- (b) Wood Pole (Round & Laminated) Construction and/or Maintenance
- (c) Lattice Tower Construction and/or Maintenance
- (d) Steel and/or Concrete Pole Construction and/or Maintenance
- (e) Stringing & Sagging Conductors

C. SUBSTATION DE-ENERGIZED CONSTRUCTION:

- (a) Excavation and Backfilling Work
- (b) Installation of Concrete Foundations

D. SUBSTATION, ENERGIZED CONSTRUCTION:

(Contractor is required to have a qualified worker on site per WAC 396-45)

- (a) Excavation and Backfilling Work
- (b) Installation of Concrete Foundations
- (c) Comprehensive Substation Construction
- (d) Installation and Field Wiring of Fabricated Control Panels
- (e) Power Transformer Assembly and Testing
- (f) Power Transformer Oil Processing and/or Vacuum Oil Filling

E. SUBSTATION, ENERGIZED MAINTENANCE:

(Contractor is required to have a qualified worker on site per WAC 296-45)

- (a) Maintenance of Power Transformer and LTC's (not including assembly)
- (b) Maintenance of High Voltage Circuit Breakers (15, 115 and 230kV) (Including SF₆ Gas Filling and/or Reclamation)
- (c) Substation Electrical Acceptance Testing, Field Testing and Commissioning
- (d) Power Transformer Assembly & Testing
- (e) Power Transformer Oil Processing and/or Vacuum Oil Filling

F. LIGHTING:

- (a) Street Lighting Installation
- (b) Street Lighting Maintenance

G. VEGETATION MANAGEMENT:

H. POLE & WOOD PRODUCT INSPECTION:

- (a) Inspection and Treatment of Poles in Place
- (b) Inspection of New Crossarms and Poles

I. STORM & EMERGENCY RESPONSE (for categories listed above):

J. MISCELLANEOUS: (List any special class not covered above)



COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2025	
Subject:	Cancellation of December 23, 2025 Regular Commission Meeting	
Authored by:	Cami McKenzie	Staff Preparing Item
Presenter:	Cami McKenzie	Staff Presenting Item (if applicable or N/A)
Approved by:	Rick Dunn	General Manager
Approved for Commission:	Rick Dunn 	General Manager

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
☐ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☒ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☐ Contract/Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion cancelling the District's regular Commission meeting scheduled for 9:00 a.m. on Tuesday, December 23, 2025 and directing the General Manager to provide notification to the public of such cancellation.

Background/Summary

The Commission does not normally meet for its last commission meeting in December. The Clerk of the Board has confirmed there are no agenda items that need to come before the Commission on December 23, 2025.

Benton PUD's regular Commission meetings are scheduled every second and fourth Tuesday of the month. Cancellation of a regular Commission meeting requires notification to the public. In the event action is required prior to the next regularly scheduled Commission meeting on January 13, 2026, a special meeting of the Commission can be called by the President of the Commission.

Recommendation

Approve the motion cancelling the District's regular Commission meeting scheduled for 9:00 a.m. on Tuesday, December 23, 2025. The next regularly scheduled Commission meeting will be January 13, 2026.

Fiscal Impact

N/A

COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2025	
Subject:	Designation of Representatives to Various Organizations for 2026	
Authored by:	Cami McKenzie	Staff Preparing Item
Presenter:	Cami McKenzie	Staff Presenting Item (if applicable or N/A)
Approved by:	Rick Dunn	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager/Asst GM

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
☐ Consent Agenda	☒ Pass Motion	☒ Decision / Direction
☒ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☐ Contract/Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

- Option 1 – Approve as Presented
 - Motion to approve the Designation of Representatives to Various Organizations for 2026, as presented.
- Option 2 – Approve as Amended
 - Motion to approve the Designation of Representatives to Various Organizations for 2026, as amended.

Background/Summary

The District participates in numerous external organizations, committees, and partnerships that influence policy, operations, and community engagement. Assigning representatives to these organizations ensures that District interests are represented, and that staff are authorized to speak and act on behalf of the District, where appropriate.

Designations may be modified any time during the year by motion of the Commission.

Recommendation

Review the Designation of Representatives to Various Organizations for 2026 and approve as presented, or as amended.

Fiscal Impact

N/A

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY
DESIGNATION OF REPRESENTATIVES TO VARIOUS ORGANIZATIONS
FOR 2026

Effective January 1, 2026

I. District Commissioners and Employees acting as District Representatives:

AMERICAN PUBLIC POWER ASSOCIATION

Representative: Lori Sanders
Alternate: Jeff Hall

AMERICAN PUBLIC POWER ASSOCIATION LEGISLATIVE & RESOLUTIONS COMMITTEE

Representative: Lori Sanders
Alternates: Jeff Hall/Jodi Henderson

CENTRAL WASHINGTON PUBLIC UTILITIES (CWPU)

Representative: Rick Dunn
Alternate: Steve Hunter

ENERGY NORTHWEST FULL BOARD

Representative: Mike Massey
Alternate: Lori Sanders

ENERGY NORTHWEST NINE CANYON WIND PROJECT PURCHASER'S COMMITTEE

Representative: Chris Johnson
Alternate: Blake Scherer

ENERGY NORTHWEST PACKWOOD PURCHASER'S COMMITTEE

Representative: Chris Johnson
Alternate: Blake Scherer

ENERGY NORTHWEST PARTICIPANTS REVIEW BOARD 2020 (casting of votes¹)

Representative: Lori Sanders
Alternate: Jeff Hall

(¹ For the purpose of casting votes for the 2026 Participants Review Board Elections)

NORTHWEST OPEN ACCESS NETWORK

Representative: Jeff Hall
Alternate: Rick Dunn

NORTHWEST PUBLIC POWER ASSOCIATION, INC.

Representative: Lori Sanders
Alternate: Mike Massey

NORTHWEST RIVERPARTNERS

Board Member: Rick Dunn
Alternate: Jodi Henderson

PACIFIC NORTHWEST UTILITIES CONFERENCE COMMITTEE (PNUCC)

Board Member: Rick Dunn
Alternate: Jeff Hall

PACIFIC NORTHWEST WATERWAYS ASSOCIATION

Representative: Jodi Henderson

PROSSER CHAMBER OF COMMERCE

Representative: Jodi Henderson
Alternates: Jeff Hall/Annette Cobb

PROSSER ECONOMIC DEVELOPMENT ASSOCIATION

Representative: Jenny Sparks
Alternate: Jeff Hall

PUBLIC POWER COUNCIL (PPC)

Board Member: Rick Dunn

PUBLIC UTILITY RISK MANAGEMENT SERVICES

Representative: Lori Sanders
Alternates: Keith Mercer/Katie Grandgeorge

TRI-CITY REGIONAL CHAMBER OF COMMERCE

Representative: Jon Meyer
Alternate: Lori Sanders

TRIDEC

Representative: Rick Dunn
(For the purpose of casting votes)

VISIT TRI-CITIES

Representative: Jodi Henderson

WASHINGTON PUBLIC UTILITY DISTRICTS ASSOCIATION – BOARD OF DIRECTORS

Representative: Jeff Hall
Alternate: Lori Sanders

WASHINGTON PUBLIC UTILITY DISTRICT ASSOCIATION – ENERGY COMMITTEE

Representative: Jeff Hall
Alternate: Lori Sanders

WASHINGTON PUBLIC UTILITY DISTRICT ASSOCIATION – TELECOM COMMITTEE

Representative: Jeff Hall
Alternate: Lori Sanders

WASHINGTON PUBLIC UTILITY DISTRICT ASSOCIATION – GOVERNMENT RELATIONS & COMMUNICATIONS COMMITTEE

Representative: Jodi Henderson
Alternate: Jon Meyer

WESTERN ELECTRICITY COORDINATING COUNCIL

Representative: Steve Hunter
Alternate: Evan Edwards

WHITE CREEK, LLC. / WHITE CREEK PUBLIC, LLC.

Representative: Chris Johnson
Alternate: Blake Scherer

II. District Commissioners and Employees acting in their capacity as board members or holding other positions on behalf of the following organizations:

AMERICAN PUBLIC POWER ASSOCIATION POLICY MAKERS COUNCIL

Board Member: Jeff Hall

CENTRAL WASHINGTON PUBLIC UTILITIES – UNIFIED INSURANCE PROGRAM

Trustee: Karen Dunlap
Alternate Trustee: Jody George

COLUMBIA BASIN COLLEGE, Computer Science/Cyber Security Advisory Committee

Board Member: Duane Crum

FOUNDATION FOR WATER & ENERGY EDUCATION

Board Member: Jodi Henderson

NORTHWEST ENERGY EFFICIENCY ALLIANCE

Board Member: Chris Johnson

NORTHWEST OPEN ACCESS NETWORK BOARD

Board Member: Chris Folta

NORTHWEST RIVERPARTNERS

Board Member: Rick Dunn

PROSSER CHAMBER OF COMMERCE

Board Member: Jodi Henderson

PROSSER ECONOMIC DEVELOPMENT ASSOCIATION

Board Member: Jenny Sparks

PUBLIC POWER COUNCIL EXECUTIVE COMMITTEE

Board Member: Rick Dunn

Alternate: ~~Victor Fuentes (Franklin PUD)~~ Ron Gadeberg (Okanogan PUD)

TRI-CITY REGIONAL CHAMBER OF COMMERCE

Board Member: Jon Meyer

**WASHINGTON STATE UNIVERSITY POWER SYSTEMS ENGINEERING PROGRAM
ADVISORY BOARD**

Representative: Evan Edwards



COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2025	
Subject:	Election of Officers – 2026	
Authored by:	Cami McKenzie	Staff Preparing Item
Presenter:	Cami McKenzie	Staff Presenting Item (if applicable or N/A)
Approved by:	Rick Dunn	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager/Asst GM

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
☐ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☒ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☐ Contract/Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Move to approve the nomination and election of Jeff Hall as President of the Commission, Lori Sanders as Vice-President of the Commission, and Mike Massey as Secretary of the Commission, effective January 1, 2026.

Background/Summary

The Commission is required by statute to elect officers and the normally holds these elections in December to serve for the following year.

Historically, the Commission has preferred to elect officers annually, with each officer typically serving in the same position for two consecutive years.

Recommendation

Approve the motion to elect the officers for 2026.

Fiscal Impact

N/A

COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2025	
Subject:	Contract Award - #25-45-114 (A) Caely Renewables US LLC.	
Authored by:	Chris Johnson	Staff Preparing Item
Presenter:	Chris Johnson	Staff Presenting Item (if applicable or N/A)
Approved by:	Chris Johnson	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager

Type of Agenda Item:	Type of Action Needed: (Multiple boxes can be checked, if necessary)	
☐ Consent Agenda ☒ Business Agenda ☐ Public Hearing ☐ Other Business	☒ Pass Motion ☐ Pass Resolution ☒ Contract / Change Order ☐ Sign Letter / Document	☐ Decision / Direction ☐ Info Only ☐ Info Only/Possible Action ☐ Presentation Included

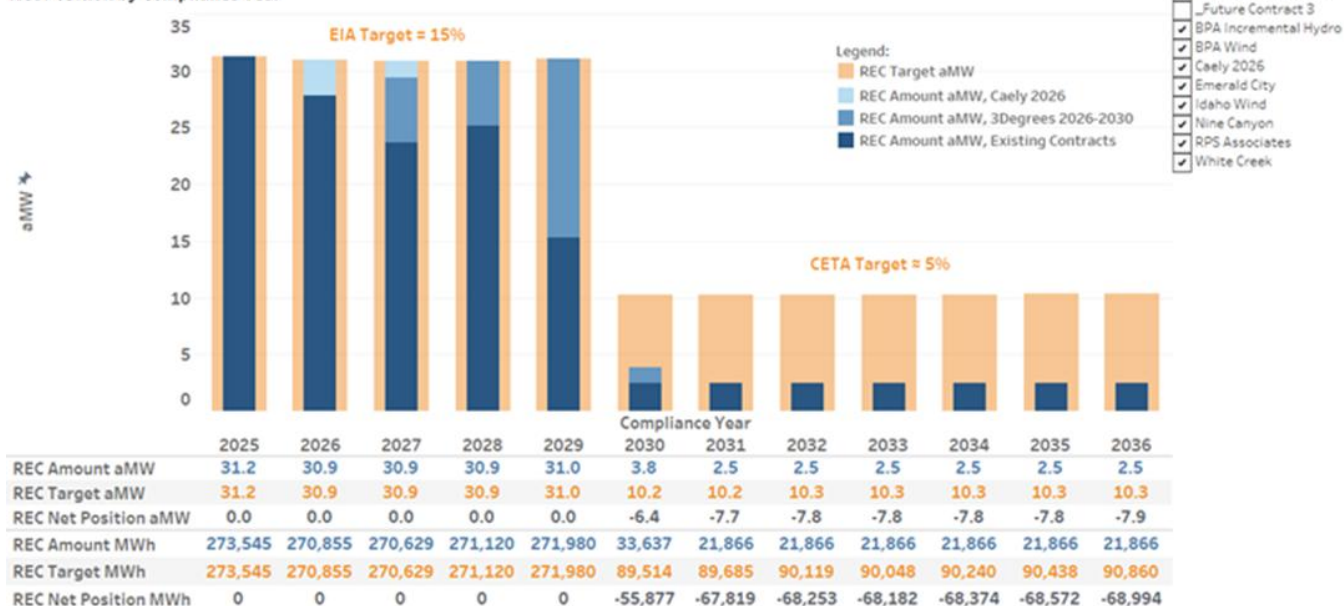
Motion for Commission Consideration:

Motion authorizing the General Manager on behalf of the District to sign a Contract #25-45-114 (A) with Caely Renewables US LLC, in substantially the form presented, for the purchase of 40,000 (4.57 aMW) Unit Contingent Renewable Energy Credits (RECs) annually beginning in 2026 for 1 year term ending December 31, 2026, for a not-to-exceed amount of \$300,000.00.

Background/Summary

The table below shows Energy Independence Act (EIA) and Clean Energy Transformation Act (CETA) requirements in yellow and current REC contracts in blue. The purpose of this REC contract award is to fill in EIA contracts that are expiring and to have enough contracts in place to meet EIA requirements through 2029. The District will need to secure additional REC contracts in 2029 for delivery in 2030 to meet CETA requirements.

Renewable Energy Credits - Compliance
Net Position by Compliance Year



On August 18, 2025, staff issued an RFP asking for proposals for delivery of 40,000 (4.57 aMW) RECs annually beginning in 2026 to partially bridge the gap of the Washington State Energy Independence Act (EIA) renewable resource 15% requirement by replacing a portion of District REC contracts that have expired. The RFP and proposals were due September 18th and there were three respondents. District staff scored each of the respondents and collectively recommended awarding the contract to 3Degrees and Caely Renewables US LLC. The price of the respondents came in lower than the Districts budgeted estimate allowing additional RECs to be secured positioning the District to have enough RECs under contract to fully offset REC contracts that have expired, will soon expire, and meet compliance requirements through 2029 based on current delivery and utility load assumptions.

During the RFP process, staff and the District's Risk Management Committee members discussed the RFP responses and agreed to award the contract to 3Degrees and Caely Renewables US LLC. 3Degree's price for the five-year contract was fixed at \$12.75 for the first 40,000 (4.57 aMW) Firm RECs and \$12.95 for the additional 10,000 (1.14 aMW) Firm RECs with no escalation and no collateral. Price justification for these Firm RECs along with being an existing REC provider to the District since 2018 allowed awarding to 3Degrees. Caely Renewables US LLC price for the one-year contract was fixed at \$7.50 per REC for 40,000 (4.57 aMW) Unit Contingent RECs.

The contract term and price for 3Degrees and Caely Renewables US LLC are summarized in the table below.

Contract	REC Vintage	Number of Firm RECs	Price per REC	Annual Price
3Degrees compliant with WA RPS legislation.	2026-2030	40,000 (4.57 aMW) RECs	\$12.75	\$510,000.00
3Degrees compliant with WA RPS legislation.	2026-2030	10,000 (1.14 aMW) RECs	\$12.95	\$129,500.00
Caely Renewables US LLC compliant with WA RPS legislation.	2026	40,000 (4.57 aMW) RECs	\$7.50	\$300,000.00

Proceeding with securing these two REC contracts will ensure continuing to meet the Districts Energy Independence Act requirements without the need to secure an additional REC contract until 2030 when CETA requirements begin.

Recommendation

Awarding the Caely contract helps position the District to be in compliance with EIA requirements through 2029 based on current delivery and utility load assumptions. Waiting until 2029 to secure additional contracts mitigates risk of the unknown status of future legislation on CETA requirements.

Fiscal Impact

Securing this Caely Renewables US LLC REC contract along with another 5-year REC contract now from another RFP respondent results in exceeding the 2026 REC budget by approximately \$300,000.00, however the 5-year REC contract term will result in approximately \$1M savings under the Districts 2026-2030 budget.

Master Power Purchase & Sale Agreement



MASTER POWER PURCHASE AND SALES AGREEMENT**TABLE OF CONTENTS**

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MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Master Power Purchase and Sale Agreement* ("Master Agreement") is made as of the following date: [November [●], 2025] ("Effective Date"). The *Master Agreement*, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the "Agreement." The Parties to this *Master Agreement* are the following:

Name Caely Renewables US LLC ("Party A")

Name Public Utility District No. 1 of Benton County
("Party B")

All Notices:

Street: 800 Town and Country Blvd, Suite 500

City: Houston, TX Zip: 77024

Attn: Forrest Jones

Phone: 346-537-7751

Facsimile: _____

Duns: _____

Federal Tax ID Number: _____

All Notices:

Street: 2721 W. 10th Ave.

City: Kennewick, WA Zip: 99336

Attn: Contract Administration

Phone: 509-582-1239

Facsimile: 509-582-1285

Duns: 003547122

Federal Tax ID Number: 91-6001045

Invoices:

Attn: _____

Phone: _____

Facsimile: _____

Invoices:

Attn: Paula Newell

Phone: 509-582-1206

Facsimile: 509-582-1294

Scheduling:

Attn: _____

Phone: _____

Facsimile: _____

Scheduling:

Attn: Chris Johnson

Phone: 509-585-5389

Facsimile: 509-582-1296

Payments:

Attn: _____

Phone: _____

Facsimile: _____

Payments:

Attn: Paula Newell

Phone: 509-582-1206

Facsimile: 509-582-1294

Wire Transfer:

BNK: _____

ABA: _____

ACCT: _____

Wire Transfer:

BNK: Bank of America

ABA: 026009593

ACCT: 21119201

Credit and Collections:

Attn: _____

Phone: _____

Facsimile: _____

Credit and Collections:

Attn: Paula Newell

Phone: 509-582-1206

Facsimile: 509-582-1294

With additional Notices of an Event of Default or Potential Event of Default to:

Attn: _____
Phone: _____
Facsimile: _____

With additional Notices of an Event of Default or Potential Event of Default to:

Attn: Chris Johnson
Phone: 509-585-5389
Facsimile: 509-582-1296

The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff Tariff Dated Not Applicable

Docket Number Not Applicable

Party B Tariff Tariff Dated Not Applicable

Docket Number Not Applicable

Article Two

Transaction Terms and Conditions ☒ Optional provision in Section 2.4. If not checked, inapplicable.

Article Four

Remedies for Failure to Deliver or Receive ☐ Accelerated Payment of Damages. If not checked, inapplicable.

Article Five

Events of Default; Remedies

☐ Cross Default for Party A:

☐ Party A: _____ Cross Default Amount \$

☐ Other Entity: _____ Cross Default Amount \$

☐ Cross Default for Party B:

☐ Party B _____ Cross Default Amount \$

☐ Other Entity: _____ Cross Default Amount \$ _____

5.6 Closeout Setoff

☒ Option A (Applicable if no other selection is made.)

☐ Option B - Affiliates shall have the meaning set forth in the Agreement unless otherwise specified as follows: _____

☐ Option C (No Setoff)

Article 8

Credit and Collateral Requirements

8.1 Party A Credit Protection

(a) Financial Information:

☐ Option A

☐ Option B Specify: _____

☒ Option C Specify: Most recent audited financials and current balance sheet provided upon request.

(b) Credit Assurances:

☒ Not Applicable

☐ Applicable

(c) Collateral Threshold:

☒ Not Applicable
☐ Applicable

Party B Independent Amount: Not applicable

Party B Rounding Amount: Not applicable

(d) Downgrade Event:

☒ Not Applicable
☐ Applicable

(e) Guarantor for Party B: Not applicable

Guarantee Amount: Not applicable

8.2 Party B Credit Protection:

(a) Financial Information:

☐ Option A
☐ Option B Specify:
☒ Option C Specify: Most recent audited financials and
current balance sheet provided upon request.

(b) Credit Assurances:

☒ Not Applicable
☐ Applicable

(c) Collateral Threshold:

☒ Not Applicable
☐ Applicable

Party A Independent Amount: Not applicable

Party A Rounding Amount: Not applicable

(d) Downgrade Event:

☒ Not Applicable
☐ Applicable

(e) Guarantor for Party A: Not Applicable

Guarantee Amount: Not Applicable

Article 10

Confidentiality ☒ Confidentiality Applicable If not checked, inapplicable.

Collateral Annex Applicability to Outstanding Transactions ☐ The Parties agree that all outstanding transactions entered into by them shall be subject to the Collateral Annex, including Paragraph 10 thereof.

Schedule M

☐ Party A is a Governmental Entity or Public Power System
☐ Party B is a Governmental Entity or Public Power System
☐ Add Section 3.6. If not checked, inapplicable
☐ Add Section 8.6. If not checked, inapplicable

Other Changes

Specify, if any: **The following changes shall be applicable:**

Part 1. GENERAL TERMS AND CONDITIONS

(a) Definitions. Article One is amended as set forth below:

(1) Article One is amended to add the following defined terms and definitions:

1.22.1 “Fitch” means Fitch Ratings (a subsidiary of Hearst Communications), or its successor.

1.24.1 “Governmental Charges” means all applicable federal, state and local ad valorem, property, occupation, severance, generation, first use, conservation, Btu or energy, transmission, utility, gross receipts, privilege, sales, use, consumption, excise and other taxes (other than taxes based on income or net worth), governmental charges, emission allowance, renewable energy certificate, benefit, reduction, offset or other beneficial allowances costs, duties, tariffs, levies, licenses, fees, permits, assessments, adders or surcharges (including public purposes charges and low income bill payment assistance charges), however styled or payable, imposed or authorized by a governmental authority, independent system operator, utility, transmission and distribution provider or similar person on or with respect to the Product or a Transaction.

1.29.1 “Merger Event” means: (i) with respect to a Party, that such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity, and (A) the resulting, surviving or transferee entity fails to assume, effective immediately upon the effectiveness of such consolidation, amalgamation, merger or transfer, each and all of the obligations of such Party under this Agreement or under any guaranty or Letter of Credit or other Performance Assurance provided under or in connection with this Agreement, either by operation of law or pursuant to an agreement reasonably satisfactory to the other Party, or (B) any guaranty, Letter of Credit and other Performance Assurance or credit support requirements that are applicable to a Party under this Agreement fail, at any time following such consolidation, amalgamation, merger or transfer, to be satisfied in full by or with respect to such resulting, surviving or transferee entity; and (ii) with respect to a Party’s Guarantor, that such Guarantor consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity, and (A) the resulting, surviving or transferee entity fails to assume, effective immediately upon the effectiveness of such consolidation, amalgamation, merger or transfer, each and all of the obligations of such Guarantor under any guaranty provided under or in connection with this Agreement, either by operation of law or pursuant to an agreement reasonably satisfactory to the other Party, (B) the Credit Rating of the resulting, surviving or transferee entity is less than “BBB-” from S&P, “Baa3” from Moody’s or “BBB-” from Fitch, or (C) the resulting, surviving or transferee entity is not rated by at least one of S&P, Moody’s or Fitch.

1.48.1 “Qualified Institution” means a major U.S. or Canadian commercial bank or a U.S. branch office of a foreign bank having, in either case, (i) assets of at least USD \$10 billion and (ii) a Credit Rating from two or more of S&P, Moody’s and Fitch, which Credit Rating is at least “A-” from S&P (in the event that such bank has a Credit Rating from S&P), “A3” from Moody’s (in the event that such bank has a Credit Rating from Moody’s) and “A-” from Fitch (in the event that such bank has a Credit Rating from Fitch).

(2) Bankrupt. Section 1.3 is amended and restated to read in its entirety as follows:

“1.3 ‘Bankrupt’ means that a Party or other entity (as applicable): (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails (or admits in writing its inability) generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation; (v) commences a voluntary proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights; (vi) seeks or consents to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets, or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets; (viii) causes or is subject to any event

with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in clauses (i) to (vii) inclusive; or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.”

- (3) **Credit Rating.** Section 1.12 is amended and restated to read in its entirety as follows:

“1.12 ‘Credit Rating’ means (i) with respect to any entity other than a financial institution, the current (A) rating issued or maintained by S&P, Moody’s or Fitch, as applicable, with respect to such entity’s long-term senior, unsecured, unsubordinated debt obligations (not supported by third party credit enhancements) or (B) corporate credit rating or long-term issuer rating issued or maintained with respect to such entity by S&P, Moody’s or Fitch, as applicable, notched down one (1) rating grade (e.g., if an entity’s issuer credit rating is BBB-, its Credit Rating will be BB+) or (ii) with respect to an entity that is a financial institution, the ratings issued or maintained by S&P, Moody’s or Fitch, as applicable, with respect to such entity’s long-term, unsecured, unsubordinated deposits.”

- (4) **Letter of Credit.** Section 1.27 is amended and restated to read in its entirety as follows:

“1.27 ‘Letter of Credit’ means an irrevocable, transferable, standby letter of credit, issued by a Qualified Institution, which letter of credit is reasonably acceptable in form and substance to the beneficiary thereof. The cost of any Letter of Credit shall be borne by the applicant therefore.”

- (5) **Recording.** Section 1.50 is amended by deleting “Section 2.4” and substituting “Section 2.5”.

(b) **Events of Default.**

- (1) Section 5.1(f) is amended and restated to read in its entirety as follows:

“(f) a Merger Event occurs with respect to such Party;”

- (2) Section 5.1(g) is amended and restated to read in its entirety as follows:

“(g) if the applicable cross default section in the Cover Sheet is indicated for such Party, the occurrence and continuation of (i) a default, event of default or other similar condition or event in respect of such Party or any other party specified in the Cover Sheet for such Party under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money, in an aggregate amount of not less than the applicable Cross Default Amount (as specified in the Cover Sheet), which default, event of default or other similar condition or event (after giving effect to any applicable notice requirement or grace period) results in such indebtedness becoming immediately due and payable or (ii) a default by such Party or any other party specified in the Cover Sheet for such Party (after giving effect to any applicable notice requirement or grace period) in making on the due date therefore one or more payments, individually or collectively, in an aggregate amount not less than the applicable Cross Default Amount (as specified in the Cover Sheet) (after giving effect to any applicable notice requirement or grace period); provided, however, that an Event of Default shall not occur with respect to a Party under this Section 5.1(g) if, as demonstrated to the reasonable satisfaction of the other Party, the Event of Default or the failure to pay is the result of a good faith dispute, or an error or omission of an administrative or clerical nature, and funds were available to the defaulting Party or other party (as applicable) to enable it to make the relevant payment when due, and, in the case of any such error or omission, such payment is made within three (3) Business Days following receipt of written notice from such other Party to the Party or other party (as applicable) from which the payment is owed;”

- (c) **Declaration of an Early Termination Date and Calculation of Settlement Amount.** Section 5.2 is amended and restated to read in its entirety as follows:

“5.2 Effect of Event of Default. If at any time an Event of Default with respect to a Defaulting Party has occurred and is continuing, the Non-Defaulting Party may do one or more of the following: (a) withhold any payments

due to the Defaulting Party under this Agreement; (b) suspend performance due to the Defaulting Party under this Agreement; or (c) by giving not more than twenty (20) days notice, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions (each referred to as a “Terminated Transaction”). The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for each such Terminated Transaction as of the Early Termination Date (or, to the extent that in the reasonable opinion of the Non-Defaulting Party certain of such Terminated Transactions are commercially impracticable to liquidate and terminate or may not be liquidated and terminated under applicable law on the Early Termination Date, then each such Transaction (each, an “Excluded Transaction”) shall be terminated as soon thereafter as reasonably practicable, and upon termination shall be deemed to be a Terminated Transaction and the Termination Payment payable in connection with all such Transactions shall be calculated in accordance with Section 5.3 below. The Gains and Losses for each Terminated Transaction shall be determined by calculating the amount that would be incurred or realized to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of that Terminated Transaction. The Non-Defaulting Party (or its agent) may determine its Gains and Losses by reference to information either available to it internally or supplied by one or more third parties including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets. Third parties supplying such information may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information.”

- (d) **Net Out of Settlement Amounts.** Section 5.3 is amended and restated to read in its entirety as follows:

“5.3 Net Out of Settlement Amounts. The Non-Defaulting Party shall aggregate all Settlement Amounts into a single amount by netting (a) all Settlement Amounts that are due to the Defaulting Party, plus any or all other amounts due to the Defaulting Party under this Agreement, against (b) all Settlement Amounts that are due to the Non-Defaulting Party, plus any or all other amounts due to the Non-Defaulting Party under this Agreement, such that all such amounts are netted to a single liquidated amount (the “Termination Payment”) payable by one Party to the other. For purposes of determining the Termination Payment, the Non-Defaulting Party may, at its option, include in such netting, or set off, any or all cash or other form of security then available to the Non-Defaulting Party and any and all cash or other form of security then available to the Defaulting Party. [The Termination Payment shall be due to or due from the Non-Defaulting Party, as applicable.]”

- (e) **Notice of Payment of Termination Payment.** Section 5.4 is amended by adding the following at the end thereof: “Notwithstanding any provision to the contrary contained in this Agreement, the Non-Defaulting Party shall not be required to pay to the Defaulting Party any amount under Article Five until the Non-Defaulting Party receives confirmation satisfactory to it in its reasonable discretion (which may include an opinion of its counsel) that all other obligations of any kind whatsoever of the Defaulting Party to make any payments to the Non-Defaulting Party under this Agreement (including any amounts payable pursuant to Excluded Transactions) have been fully and finally performed.”
- (f) **Disputes With Respect to Termination Payment.** Section 5.5 is amended by deleting “first transfer Performance Assurance to the Non-Defaulting Party in an amount equal to the Termination Payment” and substituting “prior to or concurrently with, and within the time frame required for providing such notice of dispute, nonetheless pay, in full, the Termination Payment.”
- (g) **Closeout Setoffs.** Section 5.6, Closeout Setoffs (Options A and B), is hereby amended to replace the words “due and owing” in line 4 with the words “payable (whether at such time or in the future)” and by adding the following sentence at the end of Options A and B: “If any obligation is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and set-off in respect of the estimate, subject to the Non-Defaulting Party accounting to the other when the obligation is ascertained.”
- (h) **Netting and Payments.** Section 6.4, Netting of Payments. of the Master Agreement is hereby amended to add the words “(the “Aggregate Amount”)” after the phrase “to the other Party” in the third line; add the words “(the “Net Remittance Amount”)” after the words “amount remaining due” in the seventh line; and add the following at the end of Section 6.4:

“The net invoice shall identify each of the Transactions included in the calculation of the Net Remittance Amount (i.e., each of the Transactions included in each Party’s Aggregate Amount for the billing period) and provide sufficient detail to enable the Party owing payment to ascertain its accuracy. Payment of the Net Remittance Amount shall constitute full and final payment and satisfaction for the Transactions included in

each Party's Aggregate Amount for the applicable billing period, except to the extent that (i) any portion of any Aggregate Amount has, prior to payment, been identified as a subject of a good faith dispute; or (ii) if either Party's records reveals an inaccuracy or discrepancy in an invoice delivered to the other Party, each Party shall have a period of up to one (1) year from the date on which the original invoice should have been delivered to submit a new invoice. Guarantees, letters of credit, escrow accounts and any other security arrangements in effect between the Parties at the time of the monthly settlement or netting shall be disregarded when determining the Aggregate Amount owed by each Party to the other."

- (i) **Limitation of Remedies, Liability and Damages.** Section 7.1 is amended : (i) to add the following proviso at the end of the fourth sentence thereof: "PROVIDED, HOWEVER, THAT NOTWITHSTANDING THE FOREGOING, IN NO EVENT WILL THE FOREGOING LIMITATIONS OF LIABILITY BE APPLIED TO LIMIT THE EXTENT OF THE LIABILITY OF EITHER PARTY TO THE OTHER FOR OR WITH RESPECT TO ANY INDEMNITY CLAIMS"; (ii) to delete from the beginning of the fifth sentence the phrase "UNLESS EXPRESSLY HEREIN PROVIDED" and substituting the phrase "WITHOUT PREJUDICE TO THE CALCULATION OF ANY SETTLEMENT OR TERMINATION PAYMENT AMOUNT"; and (iii) to add at the end of such section the following: "NOTHING IN THE FOREGOING SHALL BE CONSTRUED TO LIMIT ANY LEGAL, EQUITABLE OR STATUTORY RIGHTS OF SETOFF OR ANY RIGHTS UNDER ANY PERFORMANCE ASSURANCE, OR TO PROHIBIT ANY ACTION TO ENFORCE ANY REMEDY PROVIDED UNDER THIS AGREEMENT. THE PROVISIONS OF THIS ARTICLE SEVEN SHALL SURVIVE THE TERMINATION FOR ANY REASON OF THIS AGREEMENT."

- (j) **Uniform Commercial Code Waiver.** The following provision is added as Section 8.4:

"8.4. Uniform Commercial Code Waiver. Section 8 of this Agreement sets forth the entirety of the agreement of the Parties regarding credit, collateral and adequate assurances. Except as expressly set forth in the options elected by the Parties in respect of Sections 8.1 and 8.2, in Section 8.3, neither Party:

- (a) has or will have any obligation to post margin, provide letters of credit, pay deposits, make any other prepayments or provide any other financial assurances, in any form whatsoever, or
- (b) will have reasonable grounds for insecurity with respect to the creditworthiness of a Party that is complying with the relevant provisions of Section 8 of this Agreement;

and the Parties hereby waive all implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines.

- (k) **Governmental Charges.** The first sentence of Section 9.2 is amended and restated to read in its entirety as follows: "Seller shall pay or cause to be paid all Governmental Charges on or with respect to the Product or a Transaction arising prior to the Delivery Point."

- (l) **Representations and Warranties.**

- (1) The first two lines of Section 10.2 are hereby deleted and replaced with the following: "Each Party hereby represents and warrants, as of the Effective Date and the date of entering into each Transaction, and (with the exception of the representation and warranty set forth in Section 10.2(vi)) on a continuing basis throughout the entire term of each and every Transaction (including each and every Confirmation accepted in accordance with Section 2.3), that:"

- (2) Section 10.2(vi) is amended and restated to read in its entirety as follows:

"(vi) there is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that reasonably might materially adversely affect its ability to perform its obligations under this Master Agreement or any Transaction (including any Confirmation accepted in accordance with Section 2.3);"

- (3) Section 10.2(viii) is amended by adding at the end thereof: "; it is understood that information and explanations of the terms and conditions of each such Transaction shall not be considered investment or trading advice or a recommendation to enter into such Transaction; no communication (written or oral) received by either Party

from the other Party shall be deemed to be an assurance or guarantee as to the expected results of such Transaction; and neither Party is acting as a fiduciary for or an adviser to the other Party or its Affiliates in respect of such Transaction;”.

- (4) Section 10.2(ix) is amended and restated to read in its entirety as follows: “(ix) (1) it is a ‘forward contract merchant’ within the meaning of the United States Bankruptcy Code; (2) it is a “swap participant” within the meaning of the United States Bankruptcy Code; (3) it is an ‘eligible commercial entity’ within the meaning of Section 1a (11) of the Commodity Exchange Act, as amended (the ‘Commodity Exchange Act’); and (4) it is an ‘eligible contract participant’ within the meaning of Section 1a (12) of the Commodity Exchange Act.”

- (m) **Indemnity.** Section 10.4 is amended and restated to read in its entirety as follows:

“10.4 Indemnity. Seller hereby indemnifies and agrees to defend and hold harmless Buyer from and against any and all Claims resulting from or arising out of any event, circumstance, act or incident first occurring or existing prior to the Delivery Point. Buyer hereby indemnifies and agrees to defend and hold harmless Seller from and against any and all Claims resulting from or arising out of any event, circumstance, act or incident first occurring or existing at, from or after the Delivery Point. Notwithstanding the foregoing, neither Party shall have any obligation to indemnify the other Party from or against any Claims to the extent caused by, resulting from, relating to or arising out of the negligence or intentional misconduct of such other Party. Each Party hereby indemnifies and agrees to defend and hold harmless the other Party from and against any Governmental Charges for which such Party is responsible under Article Nine. The obligations of the Parties under this Agreement with respect to indemnification shall survive the termination of this Agreement and shall continue for a period of two (2) years following any termination of this Agreement, provided, however, that such obligations with respect to indemnification shall continue only with respect to claims for indemnification based upon events or circumstances occurring or arising on or before the termination of this Agreement.”

- (n) **Assignment.** Section 10.5 is amended and restated to read in its entirety as follows:

“10.5 Assignment. Neither Party shall, without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed, assign, pledge or transfer all or any part of, or any right or obligation under, this Agreement, whether voluntarily or by operation of law, and any such assignment or transfer without such consent shall be null and void; provided, however, that either Party may, without the consent of the other Party (and without relieving itself of any liability hereunder), (a) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof for security purposes in connection with any financing or other financial arrangements, (b) transfer or assign this Agreement to an Affiliate of such Party, provided that the Credit Rating of such Affiliate (or, if such Affiliate is not rated, of such Affiliate’s Guarantor) is equal to or higher than the Credit Rating of such Party (or, if such Party is not rated, of such Party’s Guarantor), or (c) transfer or assign all (but not less than all) of such Party’s right, title and interest in and to this Agreement to any Person succeeding to all or substantially all of such Party’s assets, provided that the Credit Rating of such Person (or, if such Person is not rated, of such Person’s Guarantor) is equal to or higher than the Credit Rating of such Party (or, if such Party is not rated, of such Party’s Guarantor). As a condition to the effectiveness of any transfer or assignment of this Agreement or any rights or obligations under this Agreement, the applicable transferee or assignee shall agree in writing to be bound by the terms and conditions of this Agreement and the transferring or assigning Party shall deliver such tax and enforceability assurance as the other Party may reasonably request. Subject to the foregoing restrictions on assignment, this Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. No transfer or assignment permitted hereunder shall, except as and to the extent otherwise agreed in writing between the Parties, relieve the transferring or assigning Party of any of its obligations under this Agreement.”

- (o) **Governing Law.** The first sentence of Section 10.6 is amended and restated to read in its entirety as follows: “THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WASHINGTON, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.”

- (p) **Notices.** Section 10.7 is amended as follows: (i) by inserting “, electronic means” in the fourth line after the word “service”; (ii) by inserting “electronic means,” in the fourth line after the word “by”; and (iii) by inserting the following at the end of the sentence in the fourth line: “provided, however, that any non-routine notices (e.g., notices of default) shall be delivered by a means other than an electronic means.”

(q) **General.** Section 10.8 is amended as follows:

- (1) To add the following sentence after the sentence “Except to the extent herein provided for, no amendment or modification to this Master Agreement shall be enforceable unless reduced to writing and executed by both Parties.”: “Furthermore, no amendment or modification to any Confirmation which has been fully executed by both Parties shall be enforceable unless reduced to writing and executed by both Parties.”
- (2) To add the following new sentence on the 27th line, immediately before the sentence “The headings used herein are for convenience and reference purposes only.”: “References in this Agreement to “or” shall be deemed to be disjunctive but not necessarily exclusive (i.e., unless the context dictates otherwise, “or” shall be interpreted to mean “and/or” rather than “either/or”).”
- (3) To add the following at the end of the section: “This Agreement, including any Confirmations, may be executed in counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same original instrument. Delivery of an executed counterpart of a signature page to this Agreement or to any Confirmation by facsimile or electronic means shall be effective as delivery of a manually executed counterpart of this Agreement or Confirmation. Electronic or fax copies of executed original copies of this Agreement and any Confirmation shall be sufficient and admissible evidence of the content and existence of this Agreement or any Confirmation to the same extent as the originally executed copy or copies (if executed in counterpart”).

(r) **Bankruptcy Issues.** Section 10.10 is hereby amended and restated to read in its entirety as follows:

“10.10 Bankruptcy Issues. The Parties intend that (i) each Transaction constitutes a “forward contract” (except such Transactions that provide for delivery of a Product within two (2) days after the Transaction has been agreed to by the Parties) within the meaning of the United States Bankruptcy Code or a forward agreement and therefore a “swap agreement” within the meaning of the United States Bankruptcy Code; (ii) all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute “settlement payments” within the meaning of the United States Bankruptcy Code; (iii) all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute “margin payments” within the meaning of the United States Bankruptcy Code; and (iv) this Agreement constitutes a “master netting agreement” within the meaning of the United States Bankruptcy Code.”

(s) **Confidentiality.** Section 10.11 is amended and restated to read in its entirety as follows:

“10.11 Confidentiality.

(a) If the Parties have elected on the Cover Sheet to make this Section 10.11 applicable to this Master Agreement, neither Party shall disclose the terms or conditions of a Transaction under this Master Agreement or the completed Cover Sheet to, or any annex to, this Master Agreement to a third party (other than the Party’s or any of the Party’s Affiliates’ employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential or are otherwise bound by confidentiality obligations at least as restrictive as those contained herein) except in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding or request by a regulatory authority; provided, however, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit any such disclosure. The Parties shall be entitled to all remedies available at law or in equity (including preliminary and permanent injunctive relief) to enforce, or seek relief in connection with, this confidentiality obligation. It is understood that (i) each Party will inform each and all of its or its Affiliates’ employees, lenders, counsel, accountants or advisors to whom any confidential information under this Agreement shall be disclosed or be accessible of the confidential nature of such confidential information, and (ii) in any event, shall be responsible for any breach of any of the confidentiality obligations set forth in this Section 10.11 by any of its or its Affiliates’ employees, lenders, counsel, accountants or advisors.

(b) In the event the recipient Party is requested or ordered in any legal proceeding or process (including, without limitation, requests under state or federal public disclosure laws) to disclose any of the confidential information, the recipient Party shall not make any voluntary disclosure without the prior written authorization of the disclosing Party, and the recipient Party shall take all reasonable steps to resist, clarify or narrow such requests or orders, as appropriate, and obtain other reliable assurances of nondisclosure

in order to maintain the confidential and secret nature of the confidential information. The recipient Party further shall provide the disclosing Party with immediate notice of any such requests or orders so that the disclosing Party can take independent steps to resist, clarify or narrow such requests or orders and seek and obtain appropriate protective orders or other reliable assurances of nondisclosure, and the recipient Party shall reasonably cooperate with the disclosing Party, at the disclosing Party's cost and expense, in connection therewith. However, notwithstanding the foregoing or any other provision of this Agreement, Party A acknowledges that Party B, as a Washington State municipal corporation, is subject to the Washington State Public Records Act, Ch. 42.56 RCW, and Party A agrees that Party B shall not be in breach of this Agreement or have any liability whatsoever under this Agreement or otherwise for any claims or causes of action whatsoever resulting from or arising out of Party B's copying or releasing to a third party any of the confidential information of Party A when ordered or instructed to do so by a court of competent jurisdiction, or when, in the professional judgment of Party B's counsel, Party B is compelled to permit such disclosure or copying or else risk civil or criminal liability. Party B shall provide timely notice to Party A of any public records request, claim or action reasonably placing at risk the release of any confidential information of Party A, in order to permit Party A to intervene therein, or initiate an action to enjoin release of the confidential information, at Party A's own cost and expense. Under no circumstances will Party B have any responsibility or obligation whatsoever to initiate or defend against any inquiry, investigation, action, claim, suit, arbitration or proceeding relating to the confidentiality of any material furnished to Party B by Party A. The provisions of this section shall survive the expiration or termination of this Agreement.

(c) Notwithstanding the foregoing, a Party shall not be deemed to be in breach of this Section 10.11 for any disclosure by such Party to any Product industry price source publication generally recognized in the commodities markets the terms or conditions of a Transaction, provided that the name of and any other identifying information relating to the other Party is redacted and otherwise not disclosed.

(d) The requirements of this Section 10.11 shall not apply to information that (i) is or becomes generally available to the public other than as a direct or indirect result of an intentional or inadvertent disclosure in violation of this Agreement by the recipient Party or any representative or Affiliate of the recipient Party or anyone to whom the recipient Party or any of its representatives or Affiliates transmits the information, (ii) was available to the recipient Party prior to its disclosure to the recipient Party by the disclosing Party or any of the disclosing Party's Affiliates or its or their representatives, provided that such information is not known to the recipient Party to be subject to another confidentiality agreement with, or other obligation of secrecy to, the disclosing Party or another party, (iii) becomes available to the recipient Party from a source other than the disclosing Party or any of the disclosing Party's Affiliates or its or their representatives, provided that such source is not known to the recipient Party to be subject to another confidentiality agreement with, or other obligation of secrecy to, the disclosing Party or another party, or (iv) is independently developed by the recipient Party, without reference to or use of Confidential Information received hereunder."

(t) **Attorneys Fees.** The following provision is added as Section 10.12:

"10.12 Attorneys' Fees. In the event of any action between the Parties relating to this Agreement or the subject matter hereof, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and expenses and costs of litigation, in addition to any other relief granted or awarded."

(u) **Electronic Imaged Documents.** The following provision is added as Section 10.13:

"10.13. Electronic Imaged Documents. Any original executed Agreement, Confirmation or other related document may be photocopied and stored on computer tapes and disks (an "Imaged Agreement"). Any Imaged Agreement, if introduced as evidence on paper, the Confirmation, if introduced as evidence in automated facsimile form, the Recording, if introduced as evidence in its original form and as transcribed onto paper, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the Recording, the Confirmation or the Imaged Agreement (or photocopies of the transcription of the Recording, the Confirmation or the Imaged Agreement) on the basis that such were not originated or maintained in documentary form under the hearsay rule, the best evidence rule or other rule of evidence."

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed in one or more counterparts (each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same agreement) as of the date first above written. The Parties expressly acknowledge that delivery of an executed counterpart of a signature page of this Master Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Master Agreement.

Caely Renewables US LLC

By: _____
Name: Bart Mock
Title: Managing Director
Date: _____

Public Utility District No. 1 of Benton County

By: _____
Name: Rick Dunn
Title: General Manager
Date: [November [●], 2025]

DISCLAIMER: This Master Power Purchase and Sale Agreement was prepared by a committee of representatives of Edison Electric Institute (“EEI”) and National Energy Marketers Association (“NEM”) member companies to facilitate orderly trading in and development of wholesale power markets. Neither EEI nor NEM nor any member company nor any of their agents, representatives or attorneys shall be responsible for its use, or any damages resulting therefrom. By providing this Agreement EEI and NEM do not offer legal advice and all users are urged to consult their own legal counsel to ensure that their commercial objectives will be achieved and their legal interests are adequately protected.

GENERAL TERMS AND CONDITIONS

ARTICLE ONE: GENERAL DEFINITIONS

1.1 “Affiliate” means, with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

1.2 “Agreement” has the meaning set forth in the Cover Sheet.

1.3 “Bankrupt” means with respect to any entity, such entity (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due.

1.4 “Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time for the relevant Party’s principal place of business. The relevant Party, in each instance unless otherwise specified, shall be the Party from whom the notice, payment or delivery is being sent and by whom the notice or payment or delivery is to be received.

1.5 “Buyer” means the Party to a Transaction that is obligated to purchase and receive, or cause to be received, the Product, as specified in the Transaction.

1.6 “Call Option” means an Option entitling, but not obligating, the Option Buyer to purchase and receive the Product from the Option Seller at a price equal to the Strike Price for the Delivery Period for which the Option may be exercised, all as specified in the Transaction. Upon proper exercise of the Option by the Option Buyer, the Option Seller will be obligated to sell and deliver the Product for the Delivery Period for which the Option has been exercised.

1.7 “Claiming Party” has the meaning set forth in Section 3.3.

1.8 “Claims” means all third party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorneys’ fees and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

1.9 “Confirmation” has the meaning set forth in Section 2.3.

1.10 “Contract Price” means the price in \$U.S. (unless otherwise provided for) to be paid by Buyer to Seller for the purchase of the Product, as specified in the Transaction.

1.11 “Costs” means, with respect to the Non-Defaulting Party, brokerage fees, commissions and other similar third party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new

arrangements which replace a Terminated Transaction; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with the termination of a Transaction.

1.12 "Credit Rating" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issues rating by S&P, Moody's or any other rating agency agreed by the Parties as set forth in the Cover Sheet.

1.13 "Cross Default Amount" means the cross default amount, if any, set forth in the Cover Sheet for a Party.

1.14 "Defaulting Party" has the meaning set forth in Section 5.1.

1.15 "Delivery Period" means the period of delivery for a Transaction, as specified in the Transaction.

1.16 "Delivery Point" means the point at which the Product will be delivered and received, as specified in the Transaction.

1.17 "Downgrade Event" has the meaning set forth on the Cover Sheet.

1.18 "Early Termination Date" has the meaning set forth in Section 5.2.

1.19 "Effective Date" has the meaning set forth on the Cover Sheet.

1.20 "Equitable Defenses" means any bankruptcy, insolvency, reorganization and other laws affecting creditors' rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending.

1.21 "Event of Default" has the meaning set forth in Section 5.1.

1.22 "FERC" means the Federal Energy Regulatory Commission or any successor government agency.

1.23 "Force Majeure" means an event or circumstance which prevents one Party from performing its obligations under one or more Transactions, which event or circumstance was not anticipated as of the date the Transaction was agreed to, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of Buyer's markets; (ii) Buyer's inability economically to use or resell the Product purchased hereunder; (iii) the loss or failure of Seller's supply; or (iv) Seller's ability to sell the Product at a price greater than the Contract Price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (i) such Party has contracted for firm transmission with a Transmission Provider for the Product to be delivered to or received at the Delivery Point and (ii) such curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; provided, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of a Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in the first sentence

hereof has occurred. The applicability of Force Majeure to the Transaction is governed by the terms of the Products and Related Definitions contained in Schedule P.

1.24 “Gains” means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of a Terminated Transaction, determined in a commercially reasonable manner.

1.25 “Guarantor” means, with respect to a Party, the guarantor, if any, specified for such Party on the Cover Sheet.

1.26 “Interest Rate” means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under “Money Rates” on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

1.27 “Letter(s) of Credit” means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a credit rating of at least A- from S&P or A3 from Moody’s, in a form acceptable to the Party in whose favor the letter of credit is issued. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

1.28 “Losses” means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of a Terminated Transaction, determined in a commercially reasonable manner.

1.29 “Master Agreement” has the meaning set forth on the Cover Sheet.

1.30 “Moody’s” means Moody’s Investor Services, Inc. or its successor.

1.31 “NERC Business Day” means any day except a Saturday, Sunday or a holiday as defined by the North American Electric Reliability Council or any successor organization thereto. A NERC Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time for the relevant Party’s principal place of business. The relevant Party, in each instance unless otherwise specified, shall be the Party from whom the notice, payment or delivery is being sent and by whom the notice or payment or delivery is to be received.

1.32 “Non-Defaulting Party” has the meaning set forth in Section 5.2.

1.33 “Offsetting Transactions” mean any two or more outstanding Transactions, having the same or overlapping Delivery Period(s), Delivery Point and payment date, where under one or more of such Transactions, one Party is the Seller, and under the other such Transaction(s), the same Party is the Buyer.

1.34 “Option” means the right but not the obligation to purchase or sell a Product as specified in a Transaction.

1.35 “Option Buyer” means the Party specified in a Transaction as the purchaser of an option, as defined in Schedule P.

1.36 “Option Seller” means the Party specified in a Transaction as the seller of an option, as defined in Schedule P.

1.37 “Party A Collateral Threshold” means the collateral threshold, if any, set forth in the Cover Sheet for Party A.

1.38 “Party B Collateral Threshold” means the collateral threshold, if any, set forth in the Cover Sheet for Party B.

1.39 “Party A Independent Amount” means the amount, if any, set forth in the Cover Sheet for Party A.

1.40 “Party B Independent Amount” means the amount, if any, set forth in the Cover Sheet for Party B.

1.41 “Party A Rounding Amount” means the amount, if any, set forth in the Cover Sheet for Party A.

1.42 “Party B Rounding Amount” means the amount, if any, set forth in the Cover Sheet for Party B.

1.43 “Party A Tariff” means the tariff, if any, specified in the Cover Sheet for Party A.

1.44 “Party B Tariff” means the tariff, if any, specified in the Cover Sheet for Party B.

1.45 “Performance Assurance” means collateral in the form of cash, Letter(s) of Credit, or other security acceptable to the Requesting Party.

1.46 “Potential Event of Default” means an event which, with notice or passage of time or both, would constitute an Event of Default.

1.47 “Product” means electric capacity, energy or other product(s) related thereto as specified in a Transaction by reference to a Product listed in Schedule P hereto or as otherwise specified by the Parties in the Transaction.

1.48 “Put Option” means an Option entitling, but not obligating, the Option Buyer to sell and deliver the Product to the Option Seller at a price equal to the Strike Price for the Delivery Period for which the option may be exercised, all as specified in a Transaction. Upon proper exercise of the Option by the Option Buyer, the Option Seller will be obligated to purchase and receive the Product.

1.49 “Quantity” means that quantity of the Product that Seller agrees to make available or sell and deliver, or cause to be delivered, to Buyer, and that Buyer agrees to purchase and receive, or cause to be received, from Seller as specified in the Transaction.

1.50 “Recording” has the meaning set forth in Section 2.4.

1.51 “Replacement Price” means the price at which Buyer, acting in a commercially reasonable manner, purchases at the Delivery Point a replacement for any Product specified in a Transaction but not delivered by Seller, plus (i) costs reasonably incurred by Buyer in purchasing such substitute Product and (ii) additional transmission charges, if any, reasonably incurred by Buyer to the Delivery Point, or at Buyer’s option, the market price at the Delivery Point for such Product not delivered as determined by Buyer in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Buyer be required to utilize or change its utilization of its

owned or controlled assets or market positions to minimize Seller's liability. For the purposes of this definition, Buyer shall be considered to have purchased replacement Product to the extent Buyer shall have entered into one or more arrangements in a commercially reasonable manner whereby Buyer repurchases its obligation to sell and deliver the Product to another party at the Delivery Point.

1.52 "S&P" means the Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor.

1.53 "Sales Price" means the price at which Seller, acting in a commercially reasonable manner, resells at the Delivery Point any Product not received by Buyer, deducting from such proceeds any (i) costs reasonably incurred by Seller in reselling such Product and (ii) additional transmission charges, if any, reasonably incurred by Seller in delivering such Product to the third party purchasers, or at Seller's option, the market price at the Delivery Point for such Product not received as determined by Seller in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Seller be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize Buyer's liability. For purposes of this definition, Seller shall be considered to have resold such Product to the extent Seller shall have entered into one or more arrangements in a commercially reasonable manner whereby Seller repurchases its obligation to purchase and receive the Product from another party at the Delivery Point.

1.54 "Schedule" or "Scheduling" means the actions of Seller, Buyer and/or their designated representatives, including each Party's Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity and type of Product to be delivered on any given day or days during the Delivery Period at a specified Delivery Point.

1.55 "Seller" means the Party to a Transaction that is obligated to sell and deliver, or cause to be delivered, the Product, as specified in the Transaction.

1.56 "Settlement Amount" means, with respect to a Transaction and the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in U.S. Dollars, which such party incurs as a result of the liquidation of a Terminated Transaction pursuant to Section 5.2.

1.57 "Strike Price" means the price to be paid for the purchase of the Product pursuant to an Option.

1.58 "Terminated Transaction" has the meaning set forth in Section 5.2.

1.59 "Termination Payment" has the meaning set forth in Section 5.3.

1.60 "Transaction" means a particular transaction agreed to by the Parties relating to the sale and purchase of a Product pursuant to this Master Agreement.

1.61 "Transmission Provider" means any entity or entities transmitting or transporting the Product on behalf of Seller or Buyer to or from the Delivery Point in a particular Transaction.

ARTICLE TWO: TRANSACTION TERMS AND CONDITIONS

2.1 Transactions. A Transaction shall be entered into upon agreement of the Parties orally or, if expressly required by either Party with respect to a particular Transaction, in writing, including an electronic means of communication. Each Party agrees not to contest, or assert any defense to, the validity or

enforceability of the Transaction entered into in accordance with this Master Agreement (i) based on any law requiring agreements to be in writing or to be signed by the parties, or (ii) based on any lack of authority of the Party or any lack of authority of any employee of the Party to enter into a Transaction.

2.2 Governing Terms. Unless otherwise specifically agreed, each Transaction between the Parties shall be governed by this Master Agreement. This Master Agreement (including all exhibits, schedules and any written supplements hereto), , the Party A Tariff, if any, and the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any Confirmations accepted in accordance with Section 2.3) shall form a single integrated agreement between the Parties. Any inconsistency between any terms of this Master Agreement and any terms of the Transaction shall be resolved in favor of the terms of such Transaction.

2.3 Confirmation. Seller may confirm a Transaction by forwarding to Buyer by facsimile within three (3) Business Days after the Transaction is entered into a confirmation (“Confirmation”) substantially in the form of Exhibit A. If Buyer objects to any term(s) of such Confirmation, Buyer shall notify Seller in writing of such objections within two (2) Business Days of Buyer’s receipt thereof, failing which Buyer shall be deemed to have accepted the terms as sent. If Seller fails to send a Confirmation within three (3) Business Days after the Transaction is entered into, a Confirmation substantially in the form of Exhibit A, may be forwarded by Buyer to Seller. If Seller objects to any term(s) of such Confirmation, Seller shall notify Buyer of such objections within two (2) Business Days of Seller’s receipt thereof, failing which Seller shall be deemed to have accepted the terms as sent. If Seller and Buyer each send a Confirmation and neither Party objects to the other Party’s Confirmation within two (2) Business Days of receipt, Seller’s Confirmation shall be deemed to be accepted and shall be the controlling Confirmation, unless (i) Seller’s Confirmation was sent more than three (3) Business Days after the Transaction was entered into and (ii) Buyer’s Confirmation was sent prior to Seller’s Confirmation, in which case Buyer’s Confirmation shall be deemed to be accepted and shall be the controlling Confirmation. Failure by either Party to send or either Party to return an executed Confirmation or any objection by either Party shall not invalidate the Transaction agreed to by the Parties.

2.4 Additional Confirmation Terms. If the Parties have elected on the Cover Sheet to make this Section 2.4 applicable to this Master Agreement, when a Confirmation contains provisions, other than those provisions relating to the commercial terms of the Transaction (e.g., price or special transmission conditions), which modify or supplement the general terms and conditions of this Master Agreement (e.g., arbitration provisions or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 2.3 unless agreed to either orally or in writing by the Parties; provided that the foregoing shall not invalidate any Transaction agreed to by the Parties.

2.5 Recording. Unless a Party expressly objects to a Recording (defined below) at the beginning of a telephone conversation, each Party consents to the creation of a tape or electronic recording (“Recording”) of all telephone conversations between the Parties to this Master Agreement, and that any such Recordings will be retained in confidence, secured from improper access, and may be submitted in evidence in any proceeding or action relating to this Agreement. Each Party waives any further notice of such monitoring or recording, and agrees to notify its officers and employees of such monitoring or recording and to obtain any necessary consent of such officers and employees. The Recording, and the terms and conditions described therein, if admissible, shall be the controlling evidence for the Parties’ agreement with respect to a particular Transaction in the event a Confirmation is not fully executed (or deemed accepted) by both Parties. Upon full execution (or deemed acceptance) of a Confirmation, such Confirmation shall control in the event of any conflict with the terms of a Recording, or in the event of any conflict with the terms of this Master Agreement.

ARTICLE THREE: OBLIGATIONS AND DELIVERIES

3.1 Seller's and Buyer's Obligations. With respect to each Transaction, Seller shall sell and deliver, or cause to be delivered, and Buyer shall purchase and receive, or cause to be received, the Quantity of the Product at the Delivery Point, and Buyer shall pay Seller the Contract Price; provided, however, with respect to Options, the obligations set forth in the preceding sentence shall only arise if the Option Buyer exercises its Option in accordance with its terms. Seller shall be responsible for any costs or charges imposed on or associated with the Product or its delivery of the Product up to the Delivery Point. Buyer shall be responsible for any costs or charges imposed on or associated with the Product or its receipt at and from the Delivery Point.

3.2 Transmission and Scheduling. Seller shall arrange and be responsible for transmission service to the Delivery Point and shall Schedule or arrange for Scheduling services with its Transmission Providers, as specified by the Parties in the Transaction, or in the absence thereof, in accordance with the practice of the Transmission Providers, to deliver the Product to the Delivery Point. Buyer shall arrange and be responsible for transmission service at and from the Delivery Point and shall Schedule or arrange for Scheduling services with its Transmission Providers to receive the Product at the Delivery Point.

3.3 Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under the Transaction and such Party (the "Claiming Party") gives notice and details of the Force Majeure to the other Party as soon as practicable, then, unless the terms of the Product specify otherwise, the Claiming Party shall be excused from the performance of its obligations with respect to such Transaction (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. The non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

ARTICLE FOUR: REMEDIES FOR FAILURE TO DELIVER/RECEIVE

4.1 Seller Failure. If Seller fails to schedule and/or deliver all or part of the Product pursuant to a Transaction, and such failure is not excused under the terms of the Product or by Buyer's failure to perform, then Seller shall pay Buyer, on the date payment would otherwise be due in respect of the month in which the failure occurred or, if "Accelerated Payment of Damages" is specified on the Cover Sheet, within five (5) Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

4.2 Buyer Failure. If Buyer fails to schedule and/or receive all or part of the Product pursuant to a Transaction and such failure is not excused under the terms of the Product or by Seller's failure to perform, then Buyer shall pay Seller, on the date payment would otherwise be due in respect of the month in which the failure occurred or, if "Accelerated Payment of Damages" is specified on the Cover Sheet, within five (5) Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Sales Price from the Contract Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

ARTICLE FIVE: EVENTS OF DEFAULT; REMEDIES

5.1 Events of Default. An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

- (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;
- (b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;
- (c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to deliver or receive the Product, the exclusive remedy for which is provided in Article Four) if such failure is not remedied within three (3) Business Days after written notice;
- (d) such Party becomes Bankrupt;
- (e) the failure of such Party to satisfy the creditworthiness/collateral requirements agreed to pursuant to Article Eight hereof;
- (f) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party;
- (g) if the applicable cross default section in the Cover Sheet is indicated for such Party, the occurrence and continuation of (i) a default, event of default or other similar condition or event in respect of such Party or any other party specified in the Cover Sheet for such Party under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money in an aggregate amount of not less than the applicable Cross Default Amount (as specified in the Cover Sheet), which results in such indebtedness becoming, or becoming capable at such time of being declared, immediately due and payable or (ii) a default by such Party or any other party specified in the Cover Sheet for such Party in making on the due date therefore one or more payments, individually or collectively, in an aggregate amount of not less than the applicable Cross Default Amount (as specified in the Cover Sheet);
- (h) with respect to such Party's Guarantor, if any:
 - (i) if any representation or warranty made by a Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;
 - (ii) the failure of a Guarantor to make any payment required or to perform any other material covenant or obligation in any guaranty made in connection with this Agreement and such failure shall not be remedied within three (3) Business Days after written notice;
 - (iii) a Guarantor becomes Bankrupt;

- (iv) the failure of a Guarantor's guaranty to be in full force and effect for purposes of this Agreement (other than in accordance with its terms) prior to the satisfaction of all obligations of such Party under each Transaction to which such guaranty shall relate without the written consent of the other Party; or
- (v) a Guarantor shall repudiate, disaffirm, disclaim, or reject, in whole or in part, or challenge the validity of any guaranty.

5.2 Declaration of an Early Termination Date and Calculation of Settlement Amounts. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the "Non-Defaulting Party") shall have the right (i) to designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties and to liquidate and terminate all, but not less than all, Transactions (each referred to as a "Terminated Transaction") between the Parties, (ii) withhold any payments due to the Defaulting Party under this Agreement and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for each such Terminated Transaction as of the Early Termination Date (or, to the extent that in the reasonable opinion of the Non-Defaulting Party certain of such Terminated Transactions are commercially impracticable to liquidate and terminate or may not be liquidated and terminated under applicable law on the Early Termination Date, as soon thereafter as is reasonably practicable).

5.3 Net Out of Settlement Amounts. The Non-Defaulting Party shall aggregate all Settlement Amounts into a single amount by: netting out (a) all Settlement Amounts that are due to the Defaulting Party, plus, at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party pursuant to Article Eight, plus any or all other amounts due to the Defaulting Party under this Agreement against (b) all Settlement Amounts that are due to the Non-Defaulting Party, plus any or all other amounts due to the Non-Defaulting Party under this Agreement, so that all such amounts shall be netted out to a single liquidated amount (the "Termination Payment") payable by one Party to the other. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate.

5.4 Notice of Payment of Termination Payment. As soon as practicable after a liquidation, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective.

5.5 Disputes With Respect to Termination Payment. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer Performance Assurance to the Non-Defaulting Party in an amount equal to the Termination Payment.

5.6 Closeout Setoffs.

Option A: After calculation of a Termination Payment in accordance with Section 5.3, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set off against such Termination Payment any amounts due and owing by the Defaulting Party to the Non-Defaulting Party under any other agreements, instruments or undertakings between the Defaulting Party and the Non-Defaulting Party and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 5.2, withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

Option B: After calculation of a Termination Payment in accordance with Section 5.3, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set off against such Termination Payment any amounts due and owing by the Defaulting Party or any of its Affiliates to the Non-Defaulting Party or any of its Affiliates under any other agreements, instruments or undertakings between the Defaulting Party or any of its Affiliates and the Non-Defaulting Party or any of its Affiliates and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 5.2, withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

Option C: Neither Option A nor B shall apply.

5.7 Suspension of Performance. Notwithstanding any other provision of this Master Agreement, if (a) an Event of Default or (b) a Potential Event of Default shall have occurred and be continuing, the Non-Defaulting Party, upon written notice to the Defaulting Party, shall have the right (i) to suspend performance under any or all Transactions; provided, however, in no event shall any such suspension continue for longer than ten (10) NERC Business Days with respect to any single Transaction unless an early Termination Date shall have been declared and notice thereof pursuant to Section 5.2 given, and (ii) to the extent an Event of Default shall have occurred and be continuing to exercise any remedy available at law or in equity.

ARTICLE SIX: PAYMENT AND NETTING

6.1 Billing Period. Unless otherwise specifically agreed upon by the Parties in a Transaction, the calendar month shall be the standard period for all payments under this Agreement (other than Termination Payments and, if “Accelerated Payment of Damages” is specified by the Parties in the Cover Sheet, payments pursuant to Section 4.1 or 4.2 and Option premium payments pursuant to Section 6.7). As soon as practicable after the end of each month, each Party will render to the other Party an invoice for the payment obligations, if any, incurred hereunder during the preceding month.

6.2 Timeliness of Payment. Unless otherwise agreed by the Parties in a Transaction, all invoices under this Master Agreement shall be due and payable in accordance with each Party’s invoice instructions on or before the later of the twentieth (20th) day of each month, or tenth (10th) day after receipt of the invoice or, if such day is not a Business Day, then on the next Business Day. Each Party will make payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any amounts not paid by the due date will be deemed delinquent and will accrue interest at

the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full.

6.3 Disputes and Adjustments of Invoices. A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the Interest Rate from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived unless the other Party is notified in accordance with this Section 6.3 within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance of a Transaction occurred, the right to payment for such performance is waived.

6.4 Netting of Payments. The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other on the same date pursuant to all Transactions through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Products during the monthly billing period under this Master Agreement, including any related damages calculated pursuant to Article Four (unless one of the Parties elects to accelerate payment of such amounts as permitted by Article Four), interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it.

6.5 Payment Obligation Absent Netting. If no mutual debts or payment obligations exist and only one Party owes a debt or obligation to the other during the monthly billing period, including, but not limited to, any related damage amounts calculated pursuant to Article Four, interest, and payments or credits, that Party shall pay such sum in full when due.

6.6 Security. Unless the Party benefiting from Performance Assurance or a guaranty notifies the other Party in writing, and except in connection with a liquidation and termination in accordance with Article Five, all amounts netted pursuant to this Article Six shall not take into account or include any Performance Assurance or guaranty which may be in effect to secure a Party's performance under this Agreement.

6.7 Payment for Options. The premium amount for the purchase of an Option shall be paid within two (2) Business Days of receipt of an invoice from the Option Seller. Upon exercise of an Option, payment for the Product underlying such Option shall be due in accordance with Section 6.1.

6.8 Transaction Netting. If the Parties enter into one or more Transactions, which in conjunction with one or more other outstanding Transactions, constitute Offsetting Transactions, then all such Offsetting Transactions may by agreement of the Parties, be netted into a single Transaction under which:

- (a) the Party obligated to deliver the greater amount of Energy will deliver the difference between the total amount it is obligated to deliver and the total amount to be delivered to it under the Offsetting Transactions, and
- (b) the Party owing the greater aggregate payment will pay the net difference owed between the Parties.

Each single Transaction resulting under this Section shall be deemed part of the single, indivisible contractual arrangement between the parties, and once such resulting Transaction occurs, outstanding obligations under the Offsetting Transactions which are satisfied by such offset shall terminate.

ARTICLE SEVEN: LIMITATIONS

7.1 Limitation of Remedies, Liability and Damages. EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES IS WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE IS SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

ARTICLE EIGHT: CREDIT AND COLLATERAL REQUIREMENTS

8.1 Party A Credit Protection. The applicable credit and collateral requirements shall be as specified on the Cover Sheet. If no option in Section 8.1(a) is specified on the Cover Sheet, Section 8.1 (a) Option C shall apply exclusively. If none of Sections 8.1(b), 8.1(c) or 8.1(d) is specified on the Cover Sheet, Section 8.1(b) shall apply exclusively.

(a) Financial Information. Option A: If requested by Party A, Party B shall deliver (i) within 120 days following the end of each fiscal year, a copy of Party B's annual report containing audited consolidated financial statements for such fiscal year and (ii) within 60 days after the end of each of its first

three fiscal quarters of each fiscal year, a copy of Party B's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as Party B diligently pursues the preparation, certification and delivery of the statements.

Option B: If requested by Party A, Party B shall deliver (i) within 120 days following the end of each fiscal year, a copy of the annual report containing audited consolidated financial statements for such fiscal year for the party(s) specified on the Cover Sheet and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of quarterly report containing unaudited consolidated financial statements for such fiscal quarter for the party(s) specified on the Cover Sheet. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements.

Option C: Party A may request from Party B the information specified in the Cover Sheet.

(b) Credit Assurances. If Party A has reasonable grounds to believe that Party B's creditworthiness or performance under this Agreement has become unsatisfactory, Party A will provide Party B with written notice requesting Performance Assurance in an amount determined by Party A in a commercially reasonable manner. Upon receipt of such notice Party B shall have three (3) Business Days to remedy the situation by providing such Performance Assurance to Party A. In the event that Party B fails to provide such Performance Assurance, or a guaranty or other credit assurance acceptable to Party A within three (3) Business Days of receipt of notice, then an Event of Default under Article Five will be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

(c) Collateral Threshold. If at any time and from time to time during the term of this Agreement (and notwithstanding whether an Event of Default has occurred), the Termination Payment that would be owed to Party A plus Party B's Independent Amount, if any, exceeds the Party B Collateral Threshold, then Party A, on any Business Day, may request that Party B provide Performance Assurance in an amount equal to the amount by which the Termination Payment plus Party B's Independent Amount, if any, exceeds the Party B Collateral Threshold (rounding upwards for any fractional amount to the next Party B Rounding Amount) ("Party B Performance Assurance"), less any Party B Performance Assurance already posted with Party A. Such Party B Performance Assurance shall be delivered to Party A within three (3) Business Days of the date of such request. On any Business Day (but no more frequently than weekly with respect to Letters of Credit and daily with respect to cash), Party B, at its sole cost, may request that such Party B Performance Assurance be reduced correspondingly to the amount of such excess Termination Payment plus Party B's Independent Amount, if any, (rounding upwards for any fractional amount to the next Party B Rounding Amount). In the event that Party B fails to provide Party B Performance Assurance pursuant to the terms of this Article Eight within three (3) Business Days, then an Event of Default under Article Five shall be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

For purposes of this Section 8.1(c), the calculation of the Termination Payment shall be calculated pursuant to Section 5.3 by Party A as if all outstanding Transactions had been liquidated, and in addition thereto, shall include all amounts owed but not yet paid by Party B to Party A, whether or not such amounts are due, for performance already provided pursuant to any and all Transactions.

(d) Downgrade Event. If at any time there shall occur a Downgrade Event in respect of Party B, then Party A may require Party B to provide Performance Assurance in an amount determined by Party A in a commercially reasonable manner. In the event Party B shall fail to provide such Performance Assurance or a guaranty or other credit assurance acceptable to Party A within three (3) Business Days of receipt of notice, then an Event of Default shall be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

(e) If specified on the Cover Sheet, Party B shall deliver to Party A, prior to or concurrently with the execution and delivery of this Master Agreement a guarantee in an amount not less than the Guarantee Amount specified on the Cover Sheet and in a form reasonably acceptable to Party A.

8.2 Party B Credit Protection. The applicable credit and collateral requirements shall be as specified on the Cover Sheet. If no option in Section 8.2(a) is specified on the Cover Sheet, Section 8.2(a) Option C shall apply exclusively. If none of Sections 8.2(b), 8.2(c) or 8.2(d) are specified on the Cover Sheet, Section 8.2(b) shall apply exclusively.

(a) Financial Information. Option A: If requested by Party B, Party A shall deliver (i) within 120 days following the end of each fiscal year, a copy of Party A's annual report containing audited consolidated financial statements for such fiscal year and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of such Party's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as such Party diligently pursues the preparation, certification and delivery of the statements.

Option B: If requested by Party B, Party A shall deliver (i) within 120 days following the end of each fiscal year, a copy of the annual report containing audited consolidated financial statements for such fiscal year for the party(s) specified on the Cover Sheet and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of quarterly report containing unaudited consolidated financial statements for such fiscal quarter for the party(s) specified on the Cover Sheet. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements.

Option C: Party B may request from Party A the information specified in the Cover Sheet.

(b) Credit Assurances. If Party B has reasonable grounds to believe that Party A's creditworthiness or performance under this Agreement has become unsatisfactory, Party B will provide Party A with written notice requesting Performance Assurance in an amount determined by Party B in a commercially reasonable manner. Upon receipt of such notice Party A shall have three (3) Business Days to remedy the situation by providing such Performance Assurance to Party B. In the event that Party A fails to provide such Performance Assurance, or a guaranty or other credit assurance acceptable to Party B within three (3) Business Days of receipt of notice, then an Event of Default under Article Five will be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

(c) Collateral Threshold. If at any time and from time to time during the term of this Agreement (and notwithstanding whether an Event of Default has occurred), the Termination Payment that

would be owed to Party B plus Party A's Independent Amount, if any, exceeds the Party A Collateral Threshold, then Party B, on any Business Day, may request that Party A provide Performance Assurance in an amount equal to the amount by which the Termination Payment plus Party A's Independent Amount, if any, exceeds the Party A Collateral Threshold (rounding upwards for any fractional amount to the next Party A Rounding Amount) ("Party A Performance Assurance"), less any Party A Performance Assurance already posted with Party B. Such Party A Performance Assurance shall be delivered to Party B within three (3) Business Days of the date of such request. On any Business Day (but no more frequently than weekly with respect to Letters of Credit and daily with respect to cash), Party A, at its sole cost, may request that such Party A Performance Assurance be reduced correspondingly to the amount of such excess Termination Payment plus Party A's Independent Amount, if any, (rounding upwards for any fractional amount to the next Party A Rounding Amount). In the event that Party A fails to provide Party A Performance Assurance pursuant to the terms of this Article Eight within three (3) Business Days, then an Event of Default under Article Five shall be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

For purposes of this Section 8.2(c), the calculation of the Termination Payment shall be calculated pursuant to Section 5.3 by Party B as if all outstanding Transactions had been liquidated, and in addition thereto, shall include all amounts owed but not yet paid by Party A to Party B, whether or not such amounts are due, for performance already provided pursuant to any and all Transactions.

(d) Downgrade Event. If at any time there shall occur a Downgrade Event in respect of Party A, then Party B may require Party A to provide Performance Assurance in an amount determined by Party B in a commercially reasonable manner. In the event Party A shall fail to provide such Performance Assurance or a guaranty or other credit assurance acceptable to Party B within three (3) Business Days of receipt of notice, then an Event of Default shall be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

(e) If specified on the Cover Sheet, Party A shall deliver to Party B, prior to or concurrently with the execution and delivery of this Master Agreement a guarantee in an amount not less than the Guarantee Amount specified on the Cover Sheet and in a form reasonably acceptable to Party B.

8.3 Grant of Security Interest/Remedies. To secure its obligations under this Agreement and to the extent either or both Parties deliver Performance Assurance hereunder, each Party (a "Pledgor") hereby grants to the other Party (the "Secured Party") a present and continuing security interest in, and lien on (and right of setoff against), and assignment of, all cash collateral and cash equivalent collateral and any and all proceeds resulting there from or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, such Secured Party, and each Party agrees to take such action as the other Party reasonably requires in order to perfect the Secured Party's first-priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting there from or from the liquidation thereof. Upon or any time after the occurrence or deemed occurrence and during the continuation of an Event of Default or an Early Termination Date, the Non-Defaulting Party may do any one or more of the following: (i) exercise any of the rights and remedies of a Secured Party with respect to all Performance Assurance, including any such rights and remedies under law then in effect; (ii) exercise its rights of setoff against any and all property of the Defaulting Party in the possession of the Non-Defaulting Party or its agent; (iii) draw on any outstanding Letter of Credit issued for its benefit; and (iv) liquidate all Performance Assurance then held by or for the benefit of the Secured Party free from any claim or right of any nature whatsoever of the Defaulting Party, including any equity or right of purchase or redemption by the Defaulting Party. The Secured Party shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce the Pledgor's obligations under the Agreement (the Pledgor remaining liable for any

amounts owing to the Secured Party after such application), subject to the Secured Party's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

ARTICLE NINE: GOVERNMENTAL CHARGES

9.1 Cooperation. Each Party shall use reasonable efforts to implement the provisions of and to administer this Master Agreement in accordance with the intent of the parties to minimize all taxes, so long as neither Party is materially adversely affected by such efforts.

9.2 Governmental Charges. Seller shall pay or cause to be paid all taxes imposed by any government authority ("Governmental Charges") on or with respect to the Product or a Transaction arising prior to the Delivery Point. Buyer shall pay or cause to be paid all Governmental Charges on or with respect to the Product or a Transaction at and from the Delivery Point (other than ad valorem, franchise or income taxes which are related to the sale of the Product and are, therefore, the responsibility of the Seller). In the event Seller is required by law or regulation to remit or pay Governmental Charges which are Buyer's responsibility hereunder, Buyer shall promptly reimburse Seller for such Governmental Charges. If Buyer is required by law or regulation to remit or pay Governmental Charges which are Seller's responsibility hereunder, Buyer may deduct the amount of any such Governmental Charges from the sums due to Seller under Article 6 of this Agreement. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under the law.

ARTICLE TEN: MISCELLANEOUS

10.1 Term of Master Agreement. The term of this Master Agreement shall commence on the Effective Date and shall remain in effect until terminated by either Party upon (thirty) 30 days' prior written notice; provided, however, that such termination shall not affect or excuse the performance of either Party under any provision of this Master Agreement that by its terms survives any such termination and, provided further, that this Master Agreement and any other documents executed and delivered hereunder shall remain in effect with respect to the Transaction(s) entered into prior to the effective date of such termination until both Parties have fulfilled all of their obligations with respect to such Transaction(s), or such Transaction(s) that have been terminated under Section 5.2 of this Agreement.

10.2 Representations and Warranties. On the Effective Date and the date of entering into each Transaction, each Party represents and warrants to the other Party that:

- (i) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- (ii) it has all regulatory authorizations necessary for it to legally perform its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (iii) the execution, delivery and performance of this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;
- (iv) this Master Agreement, each Transaction (including any Confirmation accepted in accordance with Section 2.3), and each other document executed and delivered in

accordance with this Master Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms; subject to any Equitable Defenses.

- (v) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;
- (vi) there is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (vii) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (viii) it is acting for its own account, has made its own independent decision to enter into this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) and as to whether this Master Agreement and each such Transaction (including any Confirmation accepted in accordance with Section 2.3) is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (ix) it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code;
- (x) it has entered into this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all Products referred to in the Transaction to which it is a Party;
- (xi) with respect to each Transaction (including any Confirmation accepted in accordance with Section 2.3) involving the purchase or sale of a Product or an Option, it is a producer, processor, commercial user or merchant handling the Product, and it is entering into such Transaction for purposes related to its business as such; and
- (xii) the material economic terms of each Transaction are subject to individual negotiation by the Parties.

10.3 Title and Risk of Loss. Title to and risk of loss related to the Product shall transfer from Seller to Buyer at the Delivery Point. Seller warrants that it will deliver to Buyer the Quantity of the Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Delivery Point.

10.4 Indemnity. Each Party shall indemnify, defend and hold harmless the other Party from and against any Claims arising from or out of any event, circumstance, act or incident first occurring or existing during the period when control and title to Product is vested in such Party as provided in Section 10.3. Each Party shall indemnify, defend and hold harmless the other Party against any Governmental Charges for which such Party is responsible under Article Nine.

10.5 Assignment. Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, (ii) transfer or assign this Agreement to an affiliate of such Party which affiliate's creditworthiness is equal to or higher than that of such Party, or (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets whose creditworthiness is equal to or higher than that of such Party; provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.

10.6 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

10.7 Notices. All notices, requests, statements or payments shall be made as specified in the Cover Sheet. Notices (other than scheduling requests) shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service or facsimile. Notice by facsimile or hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day. Notice by overnight United States mail or courier shall be effective on the next Business Day after it was sent. A Party may change its addresses by providing notice of same in accordance herewith.

10.8 General. This Master Agreement (including the exhibits, schedules and any written supplements hereto), the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any Confirmation accepted in accordance with Section 2.3) constitute the entire agreement between the Parties relating to the subject matter. Notwithstanding the foregoing, any collateral, credit support or margin agreement or similar arrangement between the Parties shall, upon designation by the Parties, be deemed part of this Agreement and shall be incorporated herein by reference. This Agreement shall be considered for all purposes as prepared through the joint efforts of the parties and shall not be construed against one party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Except to the extent herein provided for, no amendment or modification to this Master Agreement shall be enforceable unless reduced to writing and executed by both Parties. Each Party agrees if it seeks to amend any applicable wholesale power sales tariff during the term of this Agreement, such amendment will not in any way affect outstanding Transactions under this Agreement without the prior written consent of the other Party. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement. This

Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. Any provision declared or rendered unlawful by any applicable court of law or regulatory agency or deemed unlawful because of a statutory change (individually or collectively, such events referred to as “Regulatory Event”) will not otherwise affect the remaining lawful obligations that arise under this Agreement; and provided, further, that if a Regulatory Event occurs, the Parties shall use their best efforts to reform this Agreement in order to give effect to the original intention of the Parties. The term “including” when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only. All indemnity and audit rights shall survive the termination of this Agreement for twelve (12) months. This Agreement shall be binding on each Party’s successors and permitted assigns.

10.9 Audit. Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Master Agreement. If requested, a Party shall provide to the other Party statements evidencing the Quantity delivered at the Delivery Point. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; provided, however, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of twelve (12) months from the rendition thereof, and thereafter any objection shall be deemed waived.

10.10 Forward Contract. The Parties acknowledge and agree that all Transactions constitute “forward contracts” within the meaning of the United States Bankruptcy Code.

10.11 Confidentiality. If the Parties have elected on the Cover Sheet to make this Section 10.11 applicable to this Master Agreement, neither Party shall disclose the terms or conditions of a Transaction under this Master Agreement to a third party (other than the Party’s employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential) except in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding; provided, however, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

SCHEDULE M

(THIS SCHEDULE IS INCLUDED IF THE APPROPRIATE BOX ON THE COVER SHEET IS MARKED INDICATING A PARTY IS A GOVERNMENTAL ENTITY OR PUBLIC POWER SYSTEM)

- A. The Parties agree to add the following definitions in Article One.

“Act” means _____.¹

“Governmental Entity or Public Power System” means a municipality, county, governmental board, public power authority, public utility district, joint action agency, or other similar political subdivision or public entity of the United States, one or more States or territories or any combination thereof.

“Special Fund” means a fund or account of the Governmental Entity or Public Power System set aside and or pledged to satisfy the Public Power System’s obligations hereunder out of which amounts shall be paid to satisfy all of the Public Power System’s obligations under this Master Agreement for the entire Delivery Period.

- B. The following sentence shall be added to the end of the definition of “Force Majeure” in Article One.

If the Claiming Party is a Governmental Entity or Public Power System, Force Majeure does not include any action taken by the Governmental Entity or Public Power System in its governmental capacity.

- C. The Parties agree to add the following representations and warranties to Section 10.2:

Further and with respect to a Party that is a Governmental Entity or Public Power System, such Governmental Entity or Public Power System represents and warrants to the other Party continuing throughout the term of this Master Agreement, with respect to this Master Agreement and each Transaction, as follows: (i) all acts necessary to the valid execution, delivery and performance of this Master Agreement, including without limitation, competitive bidding, public notice, election, referendum, prior appropriation or other required procedures has or will be taken and performed as required under the Act and the Public Power System’s ordinances, bylaws or other regulations, (ii) all persons making up the governing body of Governmental Entity or Public Power System are the duly elected or appointed incumbents in their positions and hold such positions in good standing in accordance with the Act and other applicable law, (iii) entry into and performance of this Master Agreement by Governmental Entity or Public Power System are for a proper public purpose within the meaning of the Act and all other relevant constitutional, organic or other governing documents and applicable law, (iv) the term of this Master Agreement does not extend beyond any applicable limitation

¹ Cite the state enabling and other relevant statutes applicable to Governmental Entity or Public Power System.

imposed by the Act or other relevant constitutional, organic or other governing documents and applicable law, (v) the Public Power System's obligations to make payments hereunder are unsubordinated obligations and such payments are (a) operating and maintenance costs (or similar designation) which enjoy first priority of payment at all times under any and all bond ordinances or indentures to which it is a party, the Act and all other relevant constitutional, organic or other governing documents and applicable law or (b) otherwise not subject to any prior claim under any and all bond ordinances or indentures to which it is a party, the Act and all other relevant constitutional, organic or other governing documents and applicable law and are available without limitation or deduction to satisfy all Governmental Entity or Public Power System' obligations hereunder and under each Transaction or (c) are to be made solely from a Special Fund, (vi) entry into and performance of this Master Agreement and each Transaction by the Governmental Entity or Public Power System will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any obligation of Governmental Entity or Public Power System otherwise entitled to such exclusion, and (vii) obligations to make payments hereunder do not constitute any kind of indebtedness of Governmental Entity or Public Power System or create any kind of lien on, or security interest in, any property or revenues of Governmental Entity or Public Power System which, in either case, is proscribed by any provision of the Act or any other relevant constitutional, organic or other governing documents and applicable law, any order or judgment of any court or other agency of government applicable to it or its assets, or any contractual restriction binding on or affecting it or any of its assets.

D. The Parties agree to add the following sections to Article Three:

Section 3.4 Public Power System's Deliveries. On the Effective Date and as a condition to the obligations of the other Party under this Agreement, Governmental Entity or Public Power System shall provide the other Party hereto (i) certified copies of all ordinances, resolutions, public notices and other documents evidencing the necessary authorizations with respect to the execution, delivery and performance by Governmental Entity or Public Power System of this Master Agreement and (ii) an opinion of counsel for Governmental Entity or Public Power System, in form and substance reasonably satisfactory to the Other Party, regarding the validity, binding effect and enforceability of this Master Agreement against Governmental Entity or Public Power System in respect of the Act and all other relevant constitutional organic or other governing documents and applicable law.

Section 3.5 No Immunity Claim. Governmental Entity or Public Power System warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (a) suit, (b) jurisdiction of court (including a court located outside the jurisdiction of its organization), (c) relief by way of injunction, order for specific performance or recovery of property, (d) attachment of assets, or (e) execution or enforcement of any judgment.

E. If the appropriate box is checked on the Cover Sheet, as an alternative to selecting one of the options under Section 8.3, the Parties agree to add the following section to Article Three:

Section 3.6 Governmental Entity or Public Power System Security. With respect to each Transaction, Governmental Entity or Public Power System shall either (i) have created and set aside a Special Fund or (ii) upon execution of this Master Agreement and prior to the commencement of each subsequent fiscal year of Governmental Entity or Public Power System during any Delivery Period, have obtained all necessary budgetary approvals and certifications for payment of all of its obligations under this Master Agreement for such fiscal year; any breach of this provision shall be deemed to have arisen during a fiscal period of Governmental Entity or Public Power System for which budgetary approval or certification of its obligations under this Master Agreement is in effect and, notwithstanding anything to the contrary in Article Four, an Early Termination Date shall automatically and without further notice occur hereunder as of such date wherein Governmental Entity or Public Power System shall be treated as the Defaulting Party. Governmental Entity or Public Power System shall have allocated to the Special Fund or its general funds a revenue base that is adequate to cover Public Power System's payment obligations hereunder throughout the entire Delivery Period.

F. If the appropriate box is checked on the Cover Sheet, the Parties agree to add the following section to Article Eight:

Section 8.4 Governmental Security. As security for payment and performance of Public Power System's obligations hereunder, Public Power System hereby pledges, sets over, assigns and grants to the other Party a security interest in all of Public Power System's right, title and interest in and to [specify collateral].

G. The Parties agree to add the following sentence at the end of Section 10.6 - Governing Law:

NOTWITHSTANDING THE FOREGOING, IN RESPECT OF THE APPLICABILITY OF THE ACT AS HEREIN PROVIDED, THE LAWS OF THE STATE OF _____² SHALL APPLY.

² Insert relevant state for Governmental Entity or Public Power System.

SCHEDULE P: PRODUCTS AND RELATED DEFINITIONS

“Ancillary Services” means any of the services identified by a Transmission Provider in its transmission tariff as “ancillary services” including, but not limited to, regulation and frequency response, energy imbalance, operating reserve-spinning and operating reserve-supplemental, as may be specified in the Transaction.

“Capacity” has the meaning specified in the Transaction.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours.

“Firm (LD)” means, with respect to a Transaction, that either Party shall be relieved of its obligations to sell and deliver or purchase and receive without liability only to the extent that, and for the period during which, such performance is prevented by Force Majeure. In the absence of Force Majeure, the Party to which performance is owed shall be entitled to receive from the Party which failed to deliver/receive an amount determined pursuant to Article Four.

“Firm Transmission Contingent - Contract Path” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission for such Transaction is interrupted or curtailed and (i) such Party has provided for firm transmission with the transmission provider(s) for the Product in the case of the Seller from the generation source to the Delivery Point or in the case of the Buyer from the Delivery Point to the ultimate sink, and (ii) such interruption or curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the applicable transmission provider’s tariff. This contingency shall excuse performance for the duration of the interruption or curtailment notwithstanding the provisions of the definition of “Force Majeure” in Section 1.23 to the contrary.

“Firm Transmission Contingent - Delivery Point” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission to the Delivery Point (in the case of Seller) or from the Delivery Point (in the case of Buyer) for such Transaction is interrupted or curtailed and (i) such Party has provided for firm transmission with the transmission provider(s) for the Product, in the case of the Seller, to be delivered to the Delivery Point or, in the case of Buyer, to be received at the Delivery Point and (ii) such interruption or curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the applicable transmission provider’s tariff. This transmission contingency excuses performance for the duration of the interruption or curtailment, notwithstanding the provisions of the definition of “Force Majeure” in Section 1.23 to the contrary. Interruptions or curtailments of transmission other than the transmission either immediately to or from the Delivery Point shall not excuse performance

“Firm (No Force Majeure)” means, with respect to a Transaction, that if either Party fails to perform its obligation to sell and deliver or purchase and receive the Product, the Party to which performance is owed shall be entitled to receive from the Party which failed to perform an amount determined pursuant to Article Four. Force Majeure shall not excuse performance of a Firm (No Force Majeure) Transaction.

“Into _____ (the “Receiving Transmission Provider”), Seller’s Daily Choice” means that, in accordance with the provisions set forth below, (1) the Product shall be scheduled and delivered to

an interconnection or interface (“Interface”) either (a) on the Receiving Transmission Provider’s transmission system border or (b) within the control area of the Receiving Transmission Provider if the Product is from a source of generation in that control area, which Interface, in either case, the Receiving Transmission Provider identifies as available for delivery of the Product in or into its control area; and (2) Seller has the right on a daily prescheduled basis to designate the Interface where the Product shall be delivered. An “Into” Product shall be subject to the following provisions:

1. Prescheduling and Notification. Subject to the provisions of Section 6, not later than the prescheduling deadline of 11:00 a.m. CPT on the Business Day before the next delivery day or as otherwise agreed to by Buyer and Seller, Seller shall notify Buyer (“Seller’s Notification”) of Seller’s immediate upstream Party B and the Interface (the “Designated Interface”) where Seller shall deliver the Product for the next delivery day, and Buyer shall notify Seller of Buyer’s immediate downstream Party B.

2. Availability of “Firm Transmission” to Buyer at Designated Interface; “Timely Request for Transmission,” “ADI” and “Available Transmission.” In determining availability to Buyer of next-day firm transmission (“Firm Transmission”) from the Designated Interface, a “Timely Request for Transmission” shall mean a properly completed request for Firm Transmission made by Buyer in accordance with the controlling tariff procedures, which request shall be submitted to the Receiving Transmission Provider no later than 30 minutes after delivery of Seller’s Notification, provided, however, if the Receiving Transmission Provider is not accepting requests for Firm Transmission at the time of Seller’s Notification, then such request by Buyer shall be made within 30 minutes of the time when the Receiving Transmission Provider first opens thereafter for purposes of accepting requests for Firm Transmission.

Pursuant to the terms hereof, delivery of the Product may under certain circumstances be redesignated to occur at an Interface other than the Designated Interface (any such alternate designated interface, an “ADI”) either (a) on the Receiving Transmission Provider’s transmission system border or (b) within the control area of the Receiving Transmission Provider if the Product is from a source of generation in that control area, which ADI, in either case, the Receiving Transmission Provider identifies as available for delivery of the Product in or into its control area using either firm or non-firm transmission, as available on a day-ahead or hourly basis (individually or collectively referred to as “Available Transmission”) within the Receiving Transmission Provider’s transmission system.

3. Rights of Buyer and Seller Depending Upon Availability of/Timely Request for Firm Transmission.

A. Timely Request for Firm Transmission made by Buyer, Accepted by the Receiving Transmission Provider and Purchased by Buyer. If a Timely Request for Firm Transmission is made by Buyer and is accepted by the Receiving Transmission Provider and Buyer purchases such Firm Transmission, then Seller shall deliver and Buyer shall receive the Product at the Designated Interface.

i. If the Firm Transmission purchased by Buyer within the Receiving Transmission Provider’s transmission system from the Designated Interface ceases to be available to Buyer for any reason, or if Seller is unable to deliver the Product at the Designated Interface for any reason except Buyer’s non-performance, then at Seller’s choice from among the following, Seller shall: (a) to the extent Firm Transmission is available to Buyer from an ADI on a day-ahead basis, require Buyer to purchase such Firm Transmission from such ADI, and schedule and deliver the affected portion of the Product

to such ADI on the basis of Buyer's purchase of Firm Transmission, or (b) require Buyer to purchase non-firm transmission, and schedule and deliver the affected portion of the Product on the basis of Buyer's purchase of non-firm transmission from the Designated Interface or an ADI designated by Seller, or (c) to the extent firm transmission is available on an hourly basis, require Buyer to purchase firm transmission, and schedule and deliver the affected portion of the Product on the basis of Buyer's purchase of such hourly firm transmission from the Designated Interface or an ADI designated by Seller.

ii. If the Available Transmission utilized by Buyer as required by Seller pursuant to Section 3A(i) ceases to be available to Buyer for any reason, then Seller shall again have those alternatives stated in Section 3A(i) in order to satisfy its obligations.

iii. Seller's obligation to schedule and deliver the Product at an ADI is subject to Buyer's obligation referenced in Section 4B to cooperate reasonably therewith. If Buyer and Seller cannot complete the scheduling and/or delivery at an ADI, then Buyer shall be deemed to have satisfied its receipt obligations to Seller and Seller shall be deemed to have failed its delivery obligations to Buyer, and Seller shall be liable to Buyer for amounts determined pursuant to Article Four.

iv. In each instance in which Buyer and Seller must make alternative scheduling arrangements for delivery at the Designated Interface or an ADI pursuant to Sections 3A(i) or (ii), and Firm Transmission had been purchased by both Seller and Buyer into and within the Receiving Transmission Provider's transmission system as to the scheduled delivery which could not be completed as a result of the interruption or curtailment of such Firm Transmission, Buyer and Seller shall bear their respective transmission expenses and/or associated congestion charges incurred in connection with efforts to complete delivery by such alternative scheduling and delivery arrangements. In any instance except as set forth in the immediately preceding sentence, Buyer and Seller must make alternative scheduling arrangements for delivery at the Designated Interface or an ADI under Sections 3A(i) or (ii), Seller shall be responsible for any additional transmission purchases and/or associated congestion charges incurred by Buyer in connection with such alternative scheduling arrangements.

B. Timely Request for Firm Transmission Made by Buyer but Rejected by the Receiving Transmission Provider. If Buyer's Timely Request for Firm Transmission is rejected by the Receiving Transmission Provider because of unavailability of Firm Transmission from the Designated Interface, then Buyer shall notify Seller within 15 minutes after receipt of the Receiving Transmission Provider's notice of rejection ("Buyer's Rejection Notice"). If Buyer timely notifies Seller of such unavailability of Firm Transmission from the Designated Interface, then Seller shall be obligated either (1) to the extent Firm Transmission is available to Buyer from an ADI on a day-ahead basis, to require Buyer to purchase (at Buyer's own expense) such Firm Transmission from such ADI and schedule and deliver the Product to such ADI on the basis of Buyer's purchase of Firm Transmission, and thereafter the provisions in Section 3A shall apply, or (2) to require Buyer to purchase (at Buyer's own expense) non-firm transmission, and schedule and deliver the Product on the basis of Buyer's purchase of non-firm transmission from the Designated Interface or an ADI designated by the Seller, in which case Seller shall bear the risk of interruption or curtailment of the non-firm transmission; provided, however, that if the non-firm transmission is interrupted or curtailed or if Seller is unable to deliver the Product for any reason, Seller shall have the right to schedule and deliver the Product to another ADI in order to satisfy its delivery obligations, in which

case Seller shall be responsible for any additional transmission purchases and/or associated congestion charges incurred by Buyer in connection with Seller's inability to deliver the Product as originally prescheduled. If Buyer fails to timely notify Seller of the unavailability of Firm Transmission, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface, and the provisions of Section 3D shall apply.

C. Timely Request for Firm Transmission Made by Buyer, Accepted by the Receiving Transmission Provider and not purchased by Buyer. If Buyer's Timely Request for Firm Transmission is accepted by the Receiving Transmission Provider but Buyer elects to purchase non-firm transmission rather than Firm Transmission to take delivery of the Product, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface. In such circumstances, if Seller's delivery is interrupted as a result of transmission relied upon by Buyer from the Designated Interface, then Seller shall be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for amounts determined pursuant to Article Four.

D. No Timely Request for Firm Transmission Made by Buyer, or Buyer Fails to Timely Send Buyer's Rejection Notice. If Buyer fails to make a Timely Request for Firm Transmission or Buyer fails to timely deliver Buyer's Rejection Notice, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface. In such circumstances, if Seller's delivery is interrupted as a result of transmission relied upon by Buyer from the Designated Interface, then Seller shall be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for amounts determined pursuant to Article Four.

4. Transmission.

A. Seller's Responsibilities. Seller shall be responsible for transmission required to deliver the Product to the Designated Interface or ADI, as the case may be. It is expressly agreed that Seller is not required to utilize Firm Transmission for its delivery obligations hereunder, and Seller shall bear the risk of utilizing non-firm transmission. If Seller's scheduled delivery to Buyer is interrupted as a result of Buyer's attempted transmission of the Product beyond the Receiving Transmission Provider's system border, then Seller will be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for damages pursuant to Article Four.

B. Buyer's Responsibilities. Buyer shall be responsible for transmission required to receive and transmit the Product at and from the Designated Interface or ADI, as the case may be, and except as specifically provided in Section 3A and 3B, shall be responsible for any costs associated with transmission there from. If Seller is attempting to complete the designation of an ADI as a result of Seller's rights and obligations hereunder, Buyer shall co-operate reasonably with Seller in order to effect such alternate designation.

5. Force Majeure. An "Into" Product shall be subject to the "Force Majeure" provisions in Section 1.23.

6. Multiple Parties in Delivery Chain Involving a Designated Interface. Seller and Buyer recognize that there may be multiple parties involved in the delivery and receipt of the Product at the Designated Interface or ADI to the extent that (1) Seller may be purchasing the Product from a succession

of other sellers (“Other Sellers”), the first of which Other Sellers shall be causing the Product to be generated from a source (“Source Seller”) and/or (2) Buyer may be selling the Product to a succession of other buyers (“Other Buyers”), the last of which Other Buyers shall be using the Product to serve its energy needs (“Sink Buyer”). Seller and Buyer further recognize that in certain Transactions neither Seller nor Buyer may originate the decision as to either (a) the original identification of the Designated Interface or ADI (which designation may be made by the Source Seller) or (b) the Timely Request for Firm Transmission or the purchase of other Available Transmission (which request may be made by the Sink Buyer). Accordingly, Seller and Buyer agree as follows:

A. If Seller is not the Source Seller, then Seller shall notify Buyer of the Designated Interface promptly after Seller is notified thereof by the Other Seller with whom Seller has a contractual relationship, but in no event may such designation of the Designated Interface be later than the prescheduling deadline pertaining to the Transaction between Buyer and Seller pursuant to Section 1.

B. If Buyer is not the Sink Buyer, then Buyer shall notify the Other Buyer with whom Buyer has a contractual relationship of the Designated Interface promptly after Seller notifies Buyer thereof, with the intent being that the party bearing actual responsibility to secure transmission shall have up to 30 minutes after receipt of the Designated Interface to submit its Timely Request for Firm Transmission.

C. Seller and Buyer each agree that any other communications or actions required to be given or made in connection with this “Into Product” (including without limitation, information relating to an ADI) shall be made or taken promptly after receipt of the relevant information from the Other Sellers and Other Buyers, as the case may be.

D. Seller and Buyer each agree that in certain Transactions time is of the essence and it may be desirable to provide necessary information to Other Sellers and Other Buyers in order to complete the scheduling and delivery of the Product. Accordingly, Seller and Buyer agree that each has the right, but not the obligation, to provide information at its own risk to Other Sellers and Other Buyers, as the case may be, in order to affect the prescheduling, scheduling and delivery of the Product

“Native Load” means the demand imposed on an electric utility or an entity by the requirements of retail customers located within a franchised service territory that the electric utility or entity has statutory obligation to serve.

“Non-Firm” means, with respect to a Transaction, that delivery or receipt of the Product may be interrupted for any reason or for no reason, without liability on the part of either Party.

“System Firm” means that the Product will be supplied from the owned or controlled generation or pre-existing purchased power assets of the system specified in the Transaction (the “System”) with non-firm transmission to and from the Delivery Point, unless a different Transmission Contingency is specified in a Transaction. Seller’s failure to deliver shall be excused: (i) by an event or circumstance which prevents Seller from performing its obligations, which event or circumstance was not anticipated as of the date the Transaction was agreed to, which is not within the reasonable control of, or the result of the negligence of, the Seller; (ii) by Buyer’s failure to perform; (iii) to the extent necessary to preserve the integrity of, or prevent or limit any instability on, the System; (iv) to the extent the System or the control area or reliability council within which the System operates declares an emergency condition, as determined in the system’s,

or the control areas, or reliability council's reasonable judgment; or (v) by the interruption or curtailment of transmission to the Delivery Point or by the occurrence of any Transmission Contingency specified in a Transaction as excusing Seller's performance. Buyer's failure to receive shall be excused (i) by Force Majeure; (ii) by Seller's failure to perform, or (iii) by the interruption or curtailment of transmission from the Delivery Point or by the occurrence of any Transmission Contingency specified in a Transaction as excusing Buyer's performance. In any of such events, neither party shall be liable to the other for any damages, including any amounts determined pursuant to Article Four.

"Transmission Contingent" means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission for such Transaction is unavailable or interrupted or curtailed for any reason, at anytime, anywhere from the Seller's proposed generating source to the Buyer's proposed ultimate sink, regardless of whether transmission, if any, that such Party is attempting to secure and/or has purchased for the Product is firm or non-firm. If the transmission (whether firm or non-firm) that Seller or Buyer is attempting to secure is from source to sink is unavailable, this contingency excuses performance for the entire Transaction. If the transmission (whether firm or non-firm) that Seller or Buyer has secured from source to sink is interrupted or curtailed for any reason, this contingency excuses performance for the duration of the interruption or curtailment notwithstanding the provisions of the definition of "Force Majeure" in Article 1.23 to the contrary.

"Unit Firm" means, with respect to a Transaction, that the Product subject to the Transaction is intended to be supplied from a generation asset or assets specified in the Transaction. Seller's failure to deliver under a "Unit Firm" Transaction shall be excused: (i) if the specified generation asset(s) are unavailable as a result of a Forced Outage (as defined in the NERC Generating Unit Availability Data System (GADS) Forced Outage reporting guidelines) or (ii) by an event or circumstance that affects the specified generation asset(s) so as to prevent Seller from performing its obligations, which event or circumstance was not anticipated as of the date the Transaction was agreed to, and which is not within the reasonable control of, or the result of the negligence of, the Seller or (iii) by Buyer's failure to perform. In any of such events, Seller shall not be liable to Buyer for any damages, including any amounts determined pursuant to Article Four.

MASTER POWER PURCHASE AND SALE AGREEMENT CONFIRMATION LETTER

This confirmation letter shall confirm the Transaction agreed to on _____, ____ between _____ (“Party A”) and _____ Public Utility District No. 1 of Benton County (“Party B”) regarding the sale/purchase of the Product under the terms and conditions as follows:

Seller: _____

Buyer: _____

Product:

- ☐ Into _____, Seller’s Daily Choice
- ☐ Firm (LD)
- ☐ Firm (No Force Majeure)
- ☐ System Firm
(Specify System: _____)
- ☐ Unit Firm
(Specify Unit(s): _____)
- ☐ Other _____
- ☐ Transmission Contingency (If not marked, no transmission contingency)
- | | | |
|---|---------------------------------|--------------------------------|
| ☐ FT-Contract Path Contingency | ☐ Seller | ☐ Buyer |
| ☐ FT-Delivery Point Contingency | ☐ Seller | ☐ Buyer |
| ☐ Transmission Contingent | ☐ Seller | ☐ Buyer |
| ☐ Other transmission contingency
(Specify: _____) | | |

Contract Quantity: _____

Delivery Point: _____

Contract Price: _____

Energy Price: _____

Other Charges: _____

Delivery Period: _____

Special Conditions: _____

Scheduling: _____

Option Buyer: _____

Option Seller: _____

Type of Option: _____

Strike Price: _____

Premium: _____

Exercise Period: _____

This confirmation letter is being provided pursuant to and in accordance with the Master Power Purchase and Sale Agreement dated _____ (the “Master Agreement”) between Party A and Party B, and constitutes part of and is subject to the terms and provisions of such Master Agreement. Terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement.

[Party A]

[Party B]



**RENEWABLE ENERGY CERTIFICATES ANNEX
to the
EEI MASTER POWER PURCHASE & SALE AGREEMENT**

Name: Caely Renewables US LLC, a limited liability company organized under the laws of the State of Delaware (“Party A”)

Name: Public Utility District No. 1 of Benton County, a public utility district organized under the laws of the State of Washington (“Party B”)

Effective Date of EEI Master Agreement between Party A and Party B: [November [●], 2025]

Effective Date of this EEI Renewable Energy Certificates Annex: [November [●], 2025]

Paragraph 8 Renewable Energy Certificate Elections Cover Sheet:

All Notices:

As set forth on the EEI Master Agreement Cover Sheet unless otherwise set forth below:

Street: _____
City: _____
Attn: _____
Phone: _____
Facsimile: _____

Invoices:

As set forth on the EEI Master Agreement Cover Sheet unless otherwise set forth below:

Attn: _____
Phone: _____
Facsimile: _____

Confirmations:

As set forth on the EEI Master Agreement Cover Sheet unless otherwise set forth below:

Attn: _____
Phone: _____
Facsimile: _____

Payments:

As set forth on the EEI Master Agreement Cover Sheet unless otherwise set forth below:

Attn: _____
Phone: _____
Facsimile: _____
BNK: _____
ABA: _____
ACCT: _____

All Notices:

As set forth on the EEI Master Agreement Cover Sheet unless otherwise set forth below:

Street: _____
City: _____
Attn: _____
Phone: _____
Facsimile: _____

Invoices:

As set forth on the EEI Master Agreement Cover Sheet unless otherwise set forth below:

Attn: _____
Phone: _____
Facsimile: _____

Confirmations:

As set forth on the EEI Master Agreement Cover Sheet unless otherwise set forth below:

Attn: _____
Phone: _____
Facsimile: _____

Payments:

As set forth on the EEI Master Agreement Cover Sheet unless otherwise set forth below:

Attn: _____
Phone: _____
Facsimile: _____
BNK: _____
ABA: _____
ACCT: _____

Additional elections for EEI Master Agreement Section 2.1 Transactions

Outstanding RECs Transactions. This EEI RECs Annex applies to the following pre-existing RECs Transactions:

- ☐ Option A: All RECs Transactions outstanding between the parties as of the Effective Date of this EEI RECs Annex. – If no options are selected, Option A applies.
- ✓ Option B: The RECs Transactions listed in Schedule 1 to this EEI RECs Annex only.
- ☐ Option C: None of the RECs Transactions between the Parties that were executed prior to the Effective Date of this EEI RECs Annex.

Applicability of Articles 8.1, 8.2, and, if applicable, the Collateral Annex

- ☐ Option A: Articles 8.1, 8.2 and, if applicable, the Collateral Annex, apply to all RECs Transactions. – If no options are selected, Option A applies.
- ✓ Option B: Articles 8.1, 8.2 and, if applicable, the Collateral Annex, do not apply to any RECs Transactions.
- ☐ Option C: Articles 8.1, 8.2 and, if applicable, the Collateral Annex, apply to all RECs Transactions except those RECs Transactions set forth in Schedule 2 as amended from time to time.

Elections for Paragraph Three:

3.5 Payment Netting

- ☐ Option A (Payment Netting) – If neither Option A nor Option B is checked, Option A shall apply.
- ☐ Option B (No Payment Netting)

Other Changes

Specify, if any:

[Parties should refer to any provisions of their EEI Cover Sheet and optional provisions that should not govern RECs Transactions, for example Mobile-Sierra waivers.]

IN WITNESS WHEREOF, the Parties have caused this EEI RENEWABLE ENERGY CERTIFICATES ANNEX to be duly executed in one or more counterparts (each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same agreement) effective as of the Effective Date of this EEI RECs Annex. The Parties expressly acknowledge the validity of facsimile counterparts of this EEI RECs Annex, if any, which may be transmitted in advance of, or in lieu of, executed original documents.

Party A: Caely Renewables US LLC

Party B: Public Utility District No. 1 of Benton County

By: _____
Printed Name: _____
Title: _____

By: _____
Printed Name: Rick Dunn
Title: General Manager

RENEWABLE ENERGY CERTIFICATES ANNEX
TO THE
EEI MASTER POWER
PURCHASE & SALE AGREEMENT

WHEREAS, Party A and Party B have entered into an EEI Master Power Purchase & Sale Agreement (including any amendments, annexes or Cover Sheet thereto which are provided for and incorporated into the EEI Master Power Purchase & Sale Agreement, the “EEI Master Agreement”), which EEI Master Agreement governs the terms and conditions pursuant to which the Parties may enter into transactions relating to the purchase and sale of electric capacity, energy and other products related thereto; and

WHEREAS, the Parties desire to enter into this Renewable Energy Certificates Annex to the EEI Master Agreement to provide terms and conditions under which the Parties may enter into Transactions relating to the purchase and sale of Renewable Energy Certificates (as hereinafter defined; each such Transaction, a “RECs Transaction”);

NOW, THEREFORE, the Parties agree as follows:

PARAGRAPH ONE: GENERAL TERMS

1.1 Scope of Agreement. The Parties enter into this Renewable Energy Certificates Annex to the EEI Master Agreement (this “EEI RECs Annex”) in order to provide for the terms and conditions pursuant to which they may enter into Transactions for RECs Products (as defined below). This EEI RECs Annex, together with the Paragraph 8 Renewable Energy Certificate Elections Cover Sheet (“Paragraph 8 Cover Sheet”), supplements, forms a part of, and is incorporated into, the EEI Master Agreement. Capitalized terms used in this EEI RECs Annex but not defined herein shall have the meanings given such terms in the EEI Master Agreement.

1.2 The terms set forth in the EEI Master Agreement and this EEI RECs Annex applies to those Transactions that relate to RECs Products (each such Transaction, a “RECs Transaction”). Unless otherwise expressly amended by this EEI RECs Annex, all of the terms and conditions set forth in the EEI Master Agreement apply to RECs Transactions. “Transaction” as used in the EEI Master Agreement includes both Transactions relating to Power Products and RECs Products and except as otherwise provided in this EEI RECs Annex, the EEI Master Agreement shall apply equally to all such Transactions without differentiation. By way of example only, the Parties intend that the occurrence of an Event of Default under Section 5.1 of the EEI Master Agreement would enable the Non-Defaulting Party to exercise any or all of the rights of Article Five with respect to all Transactions notwithstanding whether such Transactions are for RECs Products or Power Products. In the event of any inconsistency among or between the EEI Master Agreement and this EEI RECs Annex, this EEI RECs Annex will govern with respect to RECs Transactions only.

PARAGRAPH TWO: DEFINITIONS

2.1 Definitions. With respect to RECs Transactions, these terms have the following meanings, and if the same term is defined in the EEI Master Agreement, the definition herein supersedes and replaces that in the EEI Master Agreement:

2.1.1 “Administrator” means an administrator, Certifier, Governmental Authority or other body with jurisdiction over Certification or transfer of Environmental Attributes in the Applicable Program.

2.1.2 “Alternative Compliance Payment” means a monetary amount under Applicable Law for an Applicable Program the payment of which is in lieu of compliance or other maximum amount agreed upon by the Parties.

2.1.3 “Applicable Law” means all legally binding constitutions, treaties, statutes, laws, ordinances, rules, regulations, orders, interpretations, permits, judgments, decrees, injunctions, writs and orders of any Governmental Authority or arbitrator that apply to the Applicable Program or any one or both of the Parties or the terms hereof.

2.1.4 “Applicable Program” means a mandatory or voluntary domestic, international or foreign RPS, renewable energy, or other program, scheme or organization, with respect to a market, registry or reporting for Environmental Attributes specified in a RECs Transaction.

2.1.5 “Attestation” means a Transfer Certificate or Certification in form and substance as agreed to by the Parties separate and apart from the RECs Confirmation, an example of which for voluntary and potentially other Applicable Programs is attached as Exhibit C.

2.1.6 “Certification” means, if applicable, the certification by the Certifier of the Applicable Program of (i) the creation and characteristics of a REC, (ii) the qualification of a Renewable Energy Facility under the Applicable Program, (iii) Delivery of a REC or (iv) other compliance with the requirements of the Applicable Program.

2.1.7 “Certifier” means an entity that certifies the generation, characteristics or Delivery of a REC, or the qualification of a Renewable Energy Facility under the Applicable Program, and may include the Administrator, a GIS, a Governmental Authority, one or both of the Parties, an independent auditor or other third party, and should include (i) absent an Applicable Program, the Seller, or the generator of the RECs if the Seller is not the generator, (ii) if the RECs are to be Delivered pursuant to the Applicable Program, the Administrator of the Applicable Program, or such other person or entity specified by the Applicable Program to perform Certification or (iii) such other person or entity specified by the Parties.

2.1.8 “Certified Renewable Energy Facility” means a Renewable Energy Facility that is certified under or pursuant to the Applicable Program.

2.1.9 “Delivered” or “Delivery” means the transfer from Seller to Buyer of the Contract Quantity of the RECs Product in accordance with the Applicable Program and recognition by any applicable Administrator, Certifier, or GIS that such transfer has completed.

2.1.10 “Delivery Date” means the dates specified in the RECs Transaction for Delivery of the RECs Product to the Buyer.

2.1.11 “Environmental Attribute” means an aspect, claim, characteristic or benefit, howsoever entitled, associated with the generation of a quantity of Energy by a Renewable Energy Facility, other than the electric energy produced, and that is capable of being measured, verified or calculated, including any fuel, emissions, air quality or other environmental characteristics, credits, benefits, reductions, offsets and allowances resulting from the purchase, generation or use of energy from a Renewable Energy Facility or the avoidance of any emission of any gas, chemical or other substance to the air, soil or water attributable to such energy generation or arising out of any present or future Applicable Law. An Environmental Attribute may include one or more of the following identified with a particular megawatt hour of generation by a Renewable Energy Facility designated prior to Delivery: the Renewable Energy Facility’s use of a particular renewable energy source, avoided NO_x, SO_x, CO₂ or greenhouse gas emissions, avoided water use (but not water rights or other rights or credits obtained pursuant to requirements of Applicable Law in order to site and develop the Renewable Energy Facility itself), or as otherwise defined under the Applicable Program or as agreed by the Parties. Environmental Attributes do not include any Energy, capacity, reliability or other power attributes from the Renewable Energy Facility, production tax credits or other direct third-party subsidies, filed rates, or feed-in tariffs for generation of electricity by the Renewable Energy Facility.

2.1.12 “GIS” means a generation information system or generation attribute tracking system operated by an Independent System Operator or a Regional Transmission Organization, or any other system that records generation from Renewable Energy Facilities.

2.1.13 “Government Action” means action (and not merely the speculation thereof) by a Governmental Authority, Administrator, Certifier, or by the governing body of the Applicable Program, including a Regulatory Event, which results in a change to the eligibility of a RECs Product for the Applicable Program or a substantial change to the requirements for compliance by persons or entities obligated to comply with the Applicable Program which in either case has a material effect on the supply or value of a RECs Product that is the subject of a particular RECs Transaction, and includes a change in Applicable Law that disqualifies any previously qualifying or Certified Renewable Energy Facilities (by Energy sources, Initial Operating Date or otherwise) or previously complying RECs Product, that is the subject of a RECs Transaction entered into prior to the change under an existing Applicable Program, including a change that that (i) eliminates or discontinues certification of the RECs Product, or (ii) creates any adverse material change in the application of the Applicable Program regarding a Party’s authority to sell or purchase the RECs Product.

2.1.14 “Governmental Authority” means any international, national, federal, provincial, state, municipal, county, regional or local government, administrative, judicial or regulatory entity operating under any Applicable Laws and includes any department, commission, bureau, board, administrative agency or regulatory body of any government.

2.1.15 “Initial Operating Date” means the date when a particular Renewable Energy Facility first became commercially operational.

2.1.16 “Penalties” means, with respect to the Non-Defaulting Party, the present value of any Alternative Compliance Payments, penalties, fines or fees imposed or assessed against the Non-Defaulting Party by an Administrator or Governmental Authority on account of Delivery not occurring on the Delivery Date, as determined by the Non-Defaulting Party in a commercially reasonable manner.

2.1.17 “RECs Product” means the RECs and Environmental Attributes to be delivered in a particular RECs Transaction.

2.1.18 “RECs Confirmation” is the form used by the Parties in the form of Exhibit A or Exhibit B or as otherwise agreed by the Parties, specifying the terms of a RECs Transaction.

2.1.19 “RECs Product Reporting Rights” means the exclusive right to report sole ownership of the RECs Product to any Certifier, GIS, Administrator, Governmental Authority or other party, including under Section 1605(b) of the Energy Policy Act of 1992, or under any present or future Applicable Program.

2.1.20 “RECs Transaction” is a Transaction under the Agreement governed by this EEI RECs Annex.

2.1.21 “Regulatorily Continuing” means, with respect to a RECs Transaction represented by a Party as complying with an Applicable Program, such compliance will be as of both the Delivery Date and the Trade Date notwithstanding any Government Action.

2.1.22 “Renewable Energy Certificate” or “REC” means a certificate, credit, allowance, green tag or other transferable indicia, howsoever entitled, created by or pursuant to the Applicable Program or Certifier indicating generation of a particular quantity of energy, or RECs Product associated with the generation of a specified quantity of Energy from a renewable energy source by a Renewable Energy Facility, separate from the Energy produced.

2.1.23 “Renewable Energy Facility” means an electric generation unit or other facility or installation that produces Energy qualifying under the Applicable Program, and includes a Certified Renewable Energy Facility.

2.1.24 “Renewable Portfolio Standard” or “RPS” means a domestic, international, or foreign state, provincial or federal law, rule or regulation that requires a stated amount or minimum proportion or quantity of electricity that is sold or used by specified entities to be generated from renewable energy.

2.1.25 “Replacement Price” means the price at which Buyer, acting in a commercially reasonable manner, purchases replacement RECs Product for any RECs Product specified in the RECs Transaction but not delivered by Seller, which replacement RECs Product complies with the Applicable Program as of the Delivery Date for a Regulatorily Continuing RECs Transaction and as of the Trade Date for a RECs Transaction that is not Regulatorily Continuing, and have the same Vintage as the RECs Product not Delivered, plus Costs reasonably incurred by Buyer in purchasing such substitute RECs Product, or absent a purchase, the market price for such RECs Product not delivered, as determined by Buyer in a commercially reasonable manner; provided, however, in no event shall such market price exceed any applicable Alternative Compliance

Payment set forth in the Applicable Program (if any), nor shall Buyer be required to acquire replacement RECs or utilize or change its utilization of its market positions to minimize Seller's liability.

2.1.26 "Reporting Year" means a twelve-month compliance period specified under the Applicable Program.

2.1.27 "Sales Price" means the price at which Seller, acting in a commercially reasonable manner, resells any RECs Product specified in the RECs Transaction not received by Buyer deducting from such proceeds any Costs reasonably incurred by Seller in reselling such RECs Product and Delivering to a third party purchaser thereof, or absent a sale, the market price for such RECs Product that complies with the Applicable Program as of the Delivery Date for a Regulatorily Continuing RECs Transaction and as of the Trade Date for a RECs Transaction that is not Regulatorily Continuing, and have the same Vintage as the RECs Product not received, as determined by Seller in a commercially reasonable manner; provided, however, in no event shall such market price include any Penalties or similar charges or stranded costs unless specified in the applicable RECs Transaction, nor shall Seller be required to utilize or change its utilization of its market positions to minimize Buyer's liability; and provided further that if Seller is unable after using commercially reasonable efforts to obtain a market price or resell all or a portion of the RECs Product not received by Buyer, then the Sales Price with respect to such unsold RECs Product shall be deemed equal to zero dollars (\$0).

2.1.28 "Trade Date" means the date a RECs Transaction is entered into by the Parties.

2.1.29 "Transfer Certificate" means an Attestation, GIS record of ownership transfer or other document evidencing Delivery of a REC and otherwise satisfying the requirements of the Parties and any Applicable Program.

2.1.30 "Vintage" means the calendar year, Reporting Year or other period specified by the Parties or the Certifier, as applicable, in which the RECs Product is created or first valid for use under the Applicable Program.

2.2 Rules of Interpretation. Unless otherwise required by the context in which any term appears, (i) the singular includes the plural and vice versa; (ii) all references to a particular entity or market price index include a reference to such entity's or index's successors and (if applicable) permitted assigns; and (iii) a reference to a statute or to a regulation issued by a Governmental Authority includes the statute or regulation in force as of the Trade Date, or Delivery Date with respect to a RECs Product that is Regulatorily Continuing; and (iv) the word "or" is not necessarily exclusive.

PARAGRAPH THREE: AMENDMENTS TO THE EEI MASTER AGREEMENT

3.1 Definitions. Section 1.47 of the EEI Master Agreement is amended by adding to the end thereof "in the EEI RECs Annex or RECs Product Transactions thereunder."

3.2 Confirmation. The first sentence of Section 2.3 of the EEI Master Agreement shall be modified by the addition of the following at the end thereof: "and substantially in the form of a RECs Confirmation with respect to RECs Transactions."

3.3 Additional Confirmation Terms. Section 2.4 of the EEI Master Agreement shall apply only to Power Products.

3.4 Obligations and Deliveries. Sections 3.1 and 3.2 of the EEI Master Agreement shall apply only to Power Products. The applicable provisions with respect to RECs Products are set forth in Paragraph 4.1 below.

3.5 Payment and Netting.

Option A: Payment Netting with Payment for Power and RECs Transactions on the same payment date. Section 6.2 of the EEI Master Agreement shall apply to Power Products and RECs Products, it being the intent of the Parties that monthly payments for Power Products shall be netted with monthly payments for RECs Products, all in accordance with Article 6 of the EEI Master Agreement, including Section 6.4 thereof. In addition to the netting of monthly payments in respect of RECs Products and Power Products, if an Early Termination Date is declared by the Non-Defaulting Party pursuant to Article 5 of the EEI Master Agreement, then all Settlement Amounts and any other payments for all Transactions whether for Power Products or RECs Products shall be netted in calculating the Early Termination Payment pursuant to the provisions of Section 5.3 of the EEI Master Agreement.

Option B: No Payment Netting with Payment for RECs Transactions on the 5th Business Day following Delivery of RECs. The first sentence of Section 6.2 of the EEI Master Agreement shall apply only to Power Products. With respect to RECs Products only, the first sentence of Section 6.2 shall be replaced with the following sentence: “Unless otherwise agreed by the Parties in a RECs Transaction, all invoices under this EEI Master Agreement for RECs Products shall be due and payable in accordance with each Party’s invoice instructions on or before the later of the 5th Business Day following Delivery, or the 5th Business Day after receipt of the invoice by Buyer.” Section 6.4 of the EEI Master Agreement shall apply to both Power Products and RECs Products; provided, however, for this limited purpose only, monthly payments for Power Products shall be netted only with monthly payments for other Power Products and monthly payments for RECs Products shall be netted only with monthly payments for other RECs Products. If an Early Termination Date is declared by the Non-Defaulting Party, then all Settlement Amounts and any other payments for all Transactions whether for Power Products or RECs Products shall be netted in calculating the Early Termination Payment pursuant to the provisions of Section 5.3 of the EEI Master Agreement.

3.6 Title and Indemnity. Sections 10.3 and 10.4 of the EEI Master Agreement shall apply only to Power Products. The provisions that apply to RECs Products are set forth in Paragraph 4.3 below.

PARAGRAPH FOUR: SUPPLEMENTS TO THE EEI MASTER AGREEMENT FOR TRANSACTIONS RELATING TO RECs PRODUCTS

The following provisions apply to RECs Products only.

4.1 Delivery. Seller shall deliver the RECs Product, and Buyer shall receive and pay for the RECs Product, in the manner required to comply with the terms of this RECs Annex and any RECs Transactions into which the Parties may from time to time enter.

4.2 Taxes and Fees. In any RECs Transaction, the term “Delivery Point” as used in the EEI Master Agreement is defined in the RECs Confirmation, if applicable. Each Party will be responsible for the payment of any fees, including broker’s fees, incurred by it in connection with any RECs Transactions hereunder.

4.3 Transfer of Title. Unless otherwise specified in a RECs Transaction, none of Seller’s applicable property and other right, title and interests in the RECs Product will pass to Buyer until the Delivery and payment are complete and upon such completion, all rights, title and interest in and to the RECs Product, to the full extent the same is property, will transfer to Buyer.

4.4 Effect of Transfer of Environmental Attributes. By transferring RECs Product in a RECs Transaction, Seller transfers any and all, and the exclusive, right to use that RECs Product in any Applicable Program, whether or not the RECs Transaction specifies that the RECs Product is eligible for an Applicable Program, and whether or not the particular RECs Product or any Environmental Attribute therein constitutes property, as well as any and all RECs Product Reporting Rights. Transfer of an Environmental Attribute does not transfer eligibility for production tax credits or other direct third-party subsidies for generation of electricity by any specified Renewable Energy Facility. Delivery of a RECs Product grants the Buyer the right, exclusive to the full extent applicable, to verify, certify and otherwise take advantage of the rights, claims and ownership in the RECs Product.

4.5 Certifying. The type and amount of any Environmental Attribute transferred and Delivered will be measured, calculated, verified and certified as agreed by the Parties or as required pursuant to the Applicable Program, if any. Unless otherwise specified in a RECs Transaction or the Applicable Program, Seller will (a) ensure that the selection of the Certifier complies with this EEI RECs Annex and the Applicable Program and (b) be responsible for the costs of the Certifier required for Delivery.

4.6 Secondary Markets; Exclusion of Warranties. Unless otherwise specified in a RECs Transaction, neither Seller nor Buyer will have any liability to the other for any act, omission, misrepresentation or breach by a Certifier (other than those due to failure to pay required fees, charges or expenses). Except as required under the Applicable Program, to the extent a RECs Product is evidenced or Delivered with a Transfer Certificate or other documents executed by or setting forth the findings of third parties, the sole representations of Seller with respect thereto will be that (i) Seller has no actual knowledge that any statement therein is false or intentionally misleading, and (ii) the documents provided by it are true and correct copies of the documentation it has. All representations and warranties made by a Seller to a Buyer with respect to the Environmental Attributes, Renewable Energy Facility, Energy delivery location or Vintage of a RECs Product are transferable by the Buyer. However, as different Applicable Programs have differing compliance requirements, any representation that a RECs Product is Regulatorily Continuing applies solely to the Delivery by the Seller of RECs Product under the Applicable Program to the Buyer and only up to the Delivery Date, and the benefit of such representation is

not assignable by Buyer, except as consented to by Seller in writing. Any other representation of compliance with the Applicable Program applies only up to the Trade Date. A RECs Transaction may provide by its terms that the Renewable Energy Facility will be designated by the Seller after the Trade Date and on or before the Delivery Date, so long as once having been designated, the Delivery complies with the requirements of the Applicable Program, in the manner represented by Seller.

4.7 Tariffs; Energy. Party A Tariff and Party B Tariff do not apply to RECs Transactions unless specifically so stated in the RECs Confirmation. A RECs Transaction may be entered into in connection with a Transaction for Energy. Delivery of RECs Product can be with or independent of delivery of the Energy with which the RECs Product is associated if so permitted under the Applicable Program.

PARAGRAPH FIVE: FURTHER REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Mutual Representations and Warranties. On the Effective Date and on each Trade Date, each Party represents and warrants to the other what it has represented and warranted in Section 10.2 of the EEI Master Agreement and that: (i) it is an “eligible commercial entity” and an “eligible contract participant” within the meaning of United States Commodity Exchange Act §§1a(17) and 1a(18), respectively and (ii) except as otherwise provided in Paragraph 4.6, all applicable information, documents or statements that have been furnished in writing by or on behalf of it to the other Party in connection with this Agreement are true, accurate and complete in every material respect and do not omit a material fact that would otherwise make the information, document or statement misleading.

5.2 Warranties and Certain Covenants of Seller. With respect to each RECs Transaction, Seller represents and warrants to Buyer on the Trade Date and on the Delivery Date for all RECs Product that: (i) Seller has good and marketable title to such RECs Product; (ii) Seller has not, under any Applicable Program or otherwise, sold to any other person or entity, retired for its own benefit, or represented as part of any Energy sale the RECs Product or any Environmental Attribute of the RECs Product to be transferred to Buyer; (iii) all right, title and interest in and to such RECs Product are free and clear of any liens, taxes, claims, security interests or other encumbrances except for any right or interest by any entity claiming through Buyer; (iv) each Environmental Attribute and REC meets the specifications set forth in the RECs Transaction; (v) the RECs Product is separate from the Energy generated by the Renewable Energy Facility, unless otherwise specified by the Parties; (vi) such RECs Product complies with the Applicable Program for which the RECs Product requires compliance until (a) Delivery for RECs Transactions that are Regulatorily Continuing, or (b) the Trade Date for RECs Transactions that are not Regulatorily Continuing; (vii) unless expressly set forth in a RECs Transaction, with respect to Seller, the RECs Product is not transferred, and has not been transferred pursuant to a contract filed or required to be filed with or approved by any Governmental Authority having jurisdiction over the sale of Energy; (viii) the representations and warranties set forth in the form of Attestation, if any, as of the Delivery Date are true and correct, provided that if the RECs Transaction is not Regulatorily Continuing, this representation is only as to the form of Attestation in effect as of the Trade Date; and (ix) subject to Paragraph 4.6 and unless otherwise specified to the contrary on the RECs Transaction, Seller has disclosed to Buyer any and all Transfer Certificates, Attestations, and all

other relevant documentation received by it in connection with its acquisition of the RECs Product sold to Buyer hereunder, and any use by any Environmental Attribute of the RECs Product by Seller or any other person or entity to comply with any Applicable Program. With respect to any RECs Transaction, absent a representation by Seller that the RECs Product complies with the requirements of a specified Applicable Program, Buyer bears the risk that the RECs Product is or will be in compliance with such Applicable Program. With respect to any RECs Transaction, if Seller represents that a RECs Product complies with the Applicable Program, such representation is made and effective as of the Trade Date, and Seller will not be in breach of such representation on account of any Government Action occurring after the Trade Date, unless the RECs Transaction is Regulatorily Continuing, in which case Seller must Deliver RECs Product that complies with the Applicable Program as of the Delivery Date. If the RECs Transaction is Regulatorily Continuing, Seller will cause the RECs Product that is Delivered to comply with the requirements of the Applicable Program on the Delivery Date, including Delivering substitute RECs Product acceptable to Buyer if appropriate.

5.3 LIMITATION OF WARRANTIES. THE EXPRESS WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND SELLER MAKES NO OTHER WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE RECS PRODUCT DELIVERED AND TRANSFERRED WHETHER AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER MATTER, INCLUDING WITH RESPECT TO ANY GOVERNMENT ACTION OR ANY OTHER FUTURE ACTION OR FAILURE TO ACT OR APPROVAL OR FAILURE TO APPROVE BY ANY GOVERNMENTAL AUTHORITY OR ADMINISTRATOR.

5.4 Cooperation on Delivery; Review of Records. Upon either Party's receipt of notice from the Administrator that the transfer of RECs pursuant to a RECs Transaction will not be recognized or a RECs Product Delivery was not made as required pursuant to the terms of a RECs Transaction, that Party will immediately so notify the other Party, providing a copy of such notice, and both Parties will cooperate in taking such actions as are necessary and commercially reasonable to cause such transfer to be recognized and RECs Product Delivered. Each Party agrees to provide copies of its records to the extent reasonably necessary for the Certifier to perform the functions designated on the RECs Transaction, and to verify the accuracy of any fact, statement, charge or computation made pursuant hereto if requested by the other Party. If, as a result of Seller's failure to provide Buyer with documentation and records it has agreed in the RECs Transaction to provide any or all of the Contract Quantity of RECs Product is disallowed ("Disallowed RECs") Seller will pay damages for such Disallowed RECs as if there had been a failure to Deliver them and Buyer shall after receipt of such damages return the Disallowed RECs to Seller. If Seller is not the owner or operator of the Renewable Energy Facility that generated the RECs Product, Seller will cooperate with Buyer in any efforts to review the records of the original Seller of such RECs Product. If Seller is the owner or operator of the Renewable Energy Facility that generated the RECs Product in a RECs Transaction, it consents to the Buyer's assignment of rights under this Paragraph to any subsequent purchaser of such RECs Product. The obligations set forth in this Paragraph terminate with respect to any particular RECs Transaction on the later of thirty days following the last banking date under the Applicable Program for the Vintage of the RECs Product Delivered, or the third anniversary of the Delivery Date. Notwithstanding any provisions in the EEI Master Agreement regarding confidentiality, Buyer,

and any affiliates or customers of Buyer to which Buyer resells the Product delivered by Seller hereunder, will have the right to disclose (i) to any entity or governmental authority having jurisdiction, any information necessary to demonstrate compliance with any RPS, and (ii) to any customer of Buyer or Buyer's affiliates that is participating in any voluntary renewable energy retail electric service customer choice program, the RECs Product content and characteristics.

PARAGRAPH SIX: ADDITIONAL TERMS RESPECTING REMEDIES AND FORCE MAJEURE

6.1 Not a Penalty. The Parties intend that no remedy or amount due hereunder represents a penalty to the Defaulting Party.

6.2 Registry Failure. If a Party is unable to Deliver or receive RECs due to the occurrence of a disruption in Deliveries caused by the applicable Administrator or GIS, as applicable which is not subject to Paragraph 7.11 and is not within the reasonable control of, or the result of the negligence of, such Party, by the exercise of due diligence, such Party was unable to avoid (a "Registry Failure"), it shall provide the other Party with written notice and full details within two (2) Business Days. The Parties will use their best efforts to cause Delivery and give effect to the original intention of the Parties. No Party will be relieved due to a Registry Failure from any obligation to provide any notice or make any payments due.

6.3 Scope of Force Majeure. This Paragraph 6.3 is in addition to and not in replacement of the provisions respecting Force Majeure in the EEI Master Agreement. With respect to Unit Specific RECs, Force Majeure includes events of Force Majeure that disrupt the operation of the specified Renewable Energy Facility. Force Majeure may not be based upon change in Applicable Law or Government Action in a Regulatorily Continuing RECs Transactions. In the case of a Party's obligation to make payments hereunder, Force Majeure will be only an event or act of a Governmental Authority that on any day disables the banking system through which a Party makes such payments.

PARAGRAPH SEVEN: APPLICABLE LAW

7.11 Government Action. The Parties acknowledge that the Applicable Programs, which among other things establish the conditions for a market for certain RECs Products, may be the subject of Government Action. Unless otherwise provided in a RECs Transaction, Government Action that changes in any respect the value of a RECs Product, without rendering the RECs Product out of compliance with the Applicable Program if Regulatorily Continuing, including the Applicable Program being discontinued, suspended, cancelled, repealed, or otherwise no longer scheduled to proceed, will have no effect on the obligation of the Parties to purchase and sell such RECs Product at the price and on the terms set forth in the RECs Transaction. To the extent that Government Action (i) renders Delivery illegal under Applicable Law, or (ii) makes impossible the trading or transferring of the RECs Product, then promptly after the occurrence of such Government Action, the Parties will use their best efforts to reform the affected RECs Transaction(s) in order to give effect to the original intention of the Parties or transfer the RECs Product under another Applicable Program or method if possible. For purposes of the affected RECs Transaction(s) only, if the Parties are unable, despite such efforts, to reform such RECs

Transaction(s) or transfer the RECs Product within ten (10) Business Days following the Government Action, either Party may, at its sole option terminate the affected RECs Transaction(s) without terminating the EEI Master Agreement and with no further payment or performance obligation; provided that the Parties shall make any payments due in accordance with obligations already performed and that portion of whatever has been paid for the quantity of RECs Product not yet Delivered will be refunded by Seller, to the extent it is lawful to do so. If Government Action results in the Applicable Program being superseded by another state, regional or federal renewable energy program, then, Seller shall Deliver either under the existing Applicable Program or under the superseding program, to the extent possible and commercially reasonable. Notwithstanding the foregoing, no RECs Transaction will be affected, cancelled or otherwise impaired by Government Action that is specific to a Party under Applicable Law taken by a Governmental Authority alleging that Party's violation thereof.

7.2 Governing Law. Notwithstanding Section 10.6 of the EEI Master Agreement, the creation, issuance, transfer, tracking and retirement of RECs shall be governed by the laws, rules and regulations of the Applicable Program, if any.

SCHEDULE P-RECS: RECS PRODUCT DEFINED TERMS

“Basic REC” means a REC that consists solely of a Certification of the generation of electricity by a Renewable Energy Resource, without any additional Environmental Attributes.

“Firm” means, with respect to a RECs Transaction, that if either Party fails to perform its obligation to sell and deliver or purchase and receive the RECs Product, the Party to which performance is owed shall be entitled to receive from the Party that failed to perform an amount determined pursuant to Article 4 of the EEI Master Agreement. Force Majeure shall not excuse performance of a Firm RECs Transaction.

“Resource Type Specific” when referring to RECs Product means that the Renewable Energy Facility that has generated or is eligible to generate the RECs Product utilizes a specified type of renewable energy.

“Specified REC” means a REC that includes or excludes specified Environmental Attributes.

“Standard REC” means a REC that includes all Environmental Attributes arising as a result of the generation of electricity associated with the REC, whether such Environmental Attributes have been certified and whether creditable under any existing Applicable Program.

“Unit Contingent” means that Seller is excused from any failure to Deliver RECs Product quantity on account of failure of a specified Renewable Energy Facility to generate the amount of RECs necessary in the Vintage or other time period indicated. In such event, Seller shall not be liable to Buyer for any damages, including any amounts determined pursuant to Article 4.

“Unit Contingent-Allocated” means that Seller is excused from any failure to Deliver RECs Product quantity on account of failure of a specified Renewable Energy Facility to generate the amount of RECs necessary in the Vintage or other time period indicated to satisfy all obligations of RECs delivery to all purchasers as assigned by Seller to the Renewable Energy Facility. In such event, Seller shall not be liable to Buyer for any damages, including any amounts determined pursuant to Article 4.

“Unit Non-specific” means that the Renewable Energy Facility generating the RECs Product need not be specified.

“Unit Specific” means that the Renewable Energy Facility generating the RECs Product is and must be specified.

Schedule 1: Outstanding RECs Transactions

The RECs Transactions set forth below constitute Outstanding RECs Transactions:

Schedule 2: Applicability of Collateral Annex

The Collateral Annex does not apply to any RECs Transactions.

EXHIBIT A: EXAMPLE RECS CONFIRMATION

RECS TRANSACTION CONFIRMATION BETWEEN

AND

This confirmation ("Confirmation") confirms the transaction ("Transaction") between [] ("Seller") and [] ("Buyer"), each individually a "Party" and together the "Parties", effective as of [], 20[] (the "Trade Date"). This Transaction is governed by the pursuant to the terms of the EEI Master Power Purchase and Sale Agreement between them dated _____, 20[] and the EEI Renewable Energy Certificates Annex dated _____, 20[] ("EEI RECs Annex") thereto (collectively, the "Agreement"). Initially capitalized terms used and not otherwise defined herein are defined in the Agreement and Schedule P-RECs or in the Applicable Program.

Seller: _____		Buyer: _____	
Contact Information:	Seller Tel: _____ Fax: _____	Buyer Tel: _____ Fax: _____	
Product:	Type of REC		
	☐ Standard REC		
	☐ Basic REC		
	☐ Other RECs Product [describe]: _____.		
	Applicable Program		
	☐ United States Renewable Energy Standard		
	☐ California RPS		
	☐ _____ RPS		
	☐ Certified by Green-e Energy Center For Resource Solutions or Green-e approved entity		
	☐ Certifiable by Green-e Energy Center For Resource Solutions		
☐ Other _____			
☐ None			
Product: (Check One):			
☐ Firm			
☐ Unit Contingent			
☐ Unit Contingent-Allocated			
☐ Unit Specific: _____			
Certifier			
☐ WREGIS			
☐ Center for Resource Solutions Green-e Energy			
☐ Other: _____.			
Contract Quantity:	[[] MWh/[] RECs]		
Vintage:	_____		
Reporting Year:	_____		

Renewable Energy Resource (if applicable):	Name of Facility(ies):	
	Location:	
	EIA Number:	
	California Energy Commission ID (or other Applicable Program Renewable Energy Facility Certifier ID):	
	GIS ID:	
	Certification Date:	
	On-line Date:	
Resource-Type (if applicable)		
Contract Price:	Vintage ____ [\$ /MWh/\$] REC] Vintage ____[\$ /MWh/\$] REC] Vintage ____[\$ /MWh/\$] REC] Vintage ____[\$ /MWh/\$] REC]	
Delivery Term:	The Delivery Term of this Transaction shall commence on [], 20[] and shall continue until [delivery by Seller to Buyer of the Product has been completed/[], 20[]].	
Alternate Payment Terms:	☐ Prepay ☐ Payment under Article Six of EEI Master Agreement based on time of upon Delivery of electricity with which RECs Product is associated, if applicable ☐ Payment upon Delivery of GIS Certificates	
Allocation of Change in Law Risk: (check one)	Seller's representations of compliance with the Applicable Program in Paragraph 5.2 are: ☐ made as of the Trade Date; ☐ made as of each Delivery Date during the Delivery Term and hence Regulatorily Continuing; ☐ excluded and shall not apply to this Transaction.	
Delivery Point:	☐ Buyer's GIS account (specify account information) ☐ Other _____	
Alternate Title Transfer	☐ Title transfers from Seller to Buyer upon the completion of both Delivery and payment for the RECs ☐ Title transfers from Seller to Buyer upon the completion of Delivery of the RECs, regardless of payment	
Additional Terms:	The following additional terms shall apply: _____	

The Parties agree to the RECs Transaction set forth herein.

[Seller]	[Buyer]
Signed: _____	Signed: _____
Name: _____	Name: _____

**EXHIBIT B: EXAMPLE RECS CONFIRMATION
RECS TRANSACTION
CONFIRMATION**

To:

From:

Confirmation Administration

This confirms a RECs Transaction between Buyer and Seller for the sale, purchase and delivery of Renewable Energy Certificates ("RECs") pursuant to the terms of the EEI Master Power Purchase and Sale Agreement between them dated [_____] and the EEI Renewable Energy Certificates Annex dated [_____] ("EEI RECs Annex") thereto (collectively, the "Agreement"). Initially capitalized terms used and not otherwise defined herein are defined in the Agreement and Schedule P-RECs.

Trade Date _____

Seller: _____

Buyer: _____

Type of RECs Product: ☐ Standard RECs
 ☐ Unit Contingent-Allocated

1. Amount: Number of RECs: _____ MWh
2. Vintage: _____
3. Price: \$_____/MWh for RECs
4. Delivery Date: _____
5. Method of Transfer: ____ Attestation ____ GIS specified as _____
6. Renewable Energy Facility: _____ Renewable Energy Source: _____
7. Seller represents that these RECs are compliant with the following Applicable Programs:
_____ [list] as of the Trade Date or,
☐ [check only if applicable] Regulatorily Continuing and as of the Delivery Date.

The Parties agree to the RECs Transaction set forth herein.

[Seller]

[Buyer]

Signed: _____

Signed: _____

Name: _____

Name: _____

Renewable Energy Certificate Record Keeping: Seller will deliver, to the extent applicable, the Attestation in a form similar to that attached hereto, or in such other form as may be required from time to time by such Certifier or as may from time to time be mutually agreed to by the Parties pursuant to the terms of the Applicable Program.

EXHIBIT C
EXAMPLE ATTESTATION

I, _____, as the authorized representative of [Company Name] (“Generator”) declare that Generator hereby sells, transfers and delivers to Buyer the RECs Product (including, unless otherwise specified, all Environmental Attributes and RECs Product Reporting Rights) associated with the generation and delivery of energy to Buyer from the Renewable Energy Facility as described below, in the amount of one REC for each megawatt hour generated as Delivery of [RECs Product], and that the RECs sold hereunder:

1. were generated by the following Renewable Energy Facilities and sold, subject to receipt of payment, to Buyer;
2. qualify as [RECs Product] as of the Trade Date;
3. are solely and exclusively owned by Generator;
4. have not been used by Generator or any third party to meet the RPS or other Applicable Program requirements in another state or jurisdiction;
5. were delivered into the [Delivery Area (e.g. PJM Control Area (as defined by PJM))] and complied with [PJM] energy delivery rules;
6. were not sold to any end-use customer or other wholesale provider other than Buyer during the calendar/Reporting Year; and
7. were not used on-site for generation.

Generator Name or Designation	Technology Type	Fuel Type	Generator Location	EIA #	[RECs Product]	Start and End Dates

As an authorized representative of Generator, I state that the above statements are true and correct to the best of my knowledge. This Attestation may serve as a Bill of Sale to confirm, in accordance with the Agreement, the transfer from Generator to Buyer all of Seller’s right, title and interest in and to the RECs Product as set forth above.

Name: _____ Date _____
[notarize if required]

Either Party may disclose this Attestation to others, including the Administrator, Certifier and the public utility commissions having jurisdiction over Buyer, to substantiate and verify the accuracy of the Parties’ compliance, advertising and public claims.

Note: If the Applicable Program contemplates certification by green-e or other Applicable Program making use of materials provided by the Center for Resource Solutions, or other voluntary program or protocol, users should consult the most current form of attestation required by such program.

**RECS TRANSACTION CONFIRMATION
BETWEEN
CAELY RENEWABLES US LLC
AND
PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY**

This confirmation ("Confirmation") confirms the transaction ("Transaction") between Caely Renewables US LLC ("Seller") and Public Utility District No. 1 of Benton County ("Buyer"), each individually a "Party" and together the "Parties", effective as of [November [●], 2025] (the "Trade Date"). This Transaction is governed by the pursuant to the terms of the EEI Master Power Purchase and Sale Agreement between them dated [November [●], 2025] and the EEI Renewable Energy Certificates Annex dated [November [●], 2025] ("EEI RECs Annex") thereto (collectively, the "Agreement"). Initially capitalized terms used and not otherwise defined herein are defined in the Agreement and Schedule P-RECs or in the Applicable Program.

Seller: Caely Renewables US LLC		Buyer: Public Utility District No. 1 of Benton County	
Contact Information:	<u>Seller</u> Tel: [346-537-7751] Fax: [- -]	<u>Buyer</u> Tel: [509-582-1275] Fax: [509-582-1285]	
Product:	Type of REC		
	☒ Standard REC		
	☐ Basic REC		
	☐ Other RECs Product [describe]: _____.		
	Applicable Program		
	☐ United States Renewable Energy Standard		
	☐ California RPS		
	☒ Washington State Energy Independence Act (RCW 19.285) and the regulations thereunder (WAC 194-37); Washington State Clean Energy Transformation Act (RCW 19.405) and the regulations thereunder (WAC 194-40)		
	☐ Certified by Green-e Energy Center For Resource Solutions or Green-e approved entity		
	☐ Certifiable by Green-e Energy Center For Resource Solutions		
	☐ Other _____		
	☐ None		
	Product: (Check One):		
	☐ Firm		
☒ Unit Contingent			
☐ Unit Contingent-Allocated			
☐ Unit Specific:			
Certifier			
☒ WREGIS			
☐ Center for Resource Solutions Green-e Energy			
☐ Other: _____.			
Contract Quantity:	Up to 40,000 RECs		
Vintage:	Vintage 2026		
Reporting Year:	Reporting Year 2026		

Renewable Energy Resource (if applicable):	Name of Facility(ies):	(biomass energy facility that is an eligible renewable resource satisfying the requirements of the Applicable Program)
	Location:	Oregon
	EIA Number:	N/A
	California Energy Commission ID (or other Applicable Program Renewable Energy Facility Certifier ID):	N/A
	GIS ID:	N/A
	Certification Date:	N/A
	On-line Date:	2006
Resource-Type (if applicable)	Seller's choice among eligible renewable resources satisfying the requirements of the Applicable Program	
Contract Price:	\$7.50/REC. Total contract price not to exceed \$300,000.	
Delivery Term:	The Delivery Term of this Transaction shall commence no earlier than [7/1/2026] and shall continue until [4/15/2027]. Deliveries shall be made by Seller at any time during the Delivery Term with delivery of up to 40,000 RECs for Reporting Year 2026 required to be completed on or before April 15, 2027.	
Alternate Payment Terms:	☐ Prepay ☐ Payment under Article Six of EEI Master Agreement based on time of upon Delivery of electricity with which RECs Product is associated, if applicable ☒ Payment not later than 10 days after Delivery of GIS Certificates	
Allocation of Change in Law Risk: (check one)	Seller's representations of compliance with the Applicable Program in Paragraph 5.2 are: ☐ made as of the Trade Date; ☒ made as of each Delivery Date during the Delivery Term and hence Regulatorily Continuing; ☐ excluded and shall not apply to this Transaction.	
Delivery Point:	☒ Buyer's GIS account via WREGIS (specify account information) ☐ Other	

Alternate Title Transfer	☒ Title transfers from Seller to Buyer upon the completion of both Delivery and payment for the RECs ☐ Title transfers from Seller to Buyer upon the completion of Delivery of the RECs, regardless of payment
Additional Terms:	The following additional terms shall apply: _____

The Parties agree to the RECs Transaction set forth herein.

Caely Renewables US LLC

Public Utility District No. 1 of Benton County

Signed: _____

Signed: _____

Name: Bart Mock

Name: Rick Dunn

COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2025	
Subject:	RFP Contract Award - #25-45-114B 3Degrees Group, Inc.	
Authored by:	Chris Johnson	Staff Preparing Item
Presenter:	Chris Johnson	Staff Presenting Item (if applicable or N/A)
Approved by:	Chris Johnson	Dept. Director/Manager
Approved for Commission:	Rick Dunn	General Manager

Type of Agenda Item:	Type of Action Needed: (Multiple boxes can be checked, if necessary)	
☐ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☒ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☒ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion authorizing the General Manager on behalf of the District to sign Contract #25-45-114 (B) with 3Degrees Group, Inc., Contract #25-45-114B, in substantially the form presented, for the purchase of 50,000 (5.71 aMW) Firm Renewable Energy Credits (RECs) annually beginning in 2026 for a 5-year term January 1, 2026, through April 15, 2031; for a not-to-exceed amount of \$3,197,500.00.

Background/Summary

The table below shows Energy Independence Act (EIA) and Clean Energy Transformation Act (CETA) requirements in yellow and current REC contracts in blue. The purpose of this REC contract award is to fill in EIA contracts that are expiring and to have enough contracts in place to meet EIA requirements through 2029. The District will need to secure additional REC contracts in 2029 for delivery in 2030 to meet CETA requirements.



On August 18, 2025, staff issued an RFP asking for proposals for delivery of 40,000 (4.57 aMW) RECs annually beginning in 2026 to partially bridge the gap of the Washington State Energy Independence Act (EIA) renewable resource 15% requirement by replacing a portion of District REC contracts that have expired. The RFP and proposals were due September 18th and there were three respondents. District staff scored each of the respondents and collectively recommended awarding the contract to 3Degrees and Caely Renewables US LLC. The price of the respondents came in lower than the Districts budgeted estimate allowing additional RECs to be secured positioning the District to have enough RECs under contract to fully offset REC contracts that have expired, will soon expire, and meet compliance requirements through 2029 based on current delivery and utility load assumptions.

During the RFP process, staff and the District's Risk Management Committee members discussed the RFP responses and agreed to award the contract to 3Degrees and Caely Renewables US LLC. 3Degree's price for the five-year contract was fixed at \$12.75 for the first 40,000 (4.57 aMW) Firm RECs and \$12.95 for the additional 10,000 (1.14 aMW) Firm RECs with no escalation and no collateral. Price justification for these Firm RECs along with being an existing REC provider to the District since 2018 allowed awarding to 3Degrees. Caely Renewables US LLC price for the one-year contract was fixed at \$7.50 per REC for 40,000 (4.57 aMW) Unit Contingent RECs.

The contract term and price for 3Degrees and Caely Renewables US LLC are summarized in the table below.

Contract	REC Vintage	Number of Firm RECs	Price per REC	Annual Price
3Degrees compliant with WA RPS legislation.	2026-2030	40,000 (4.57 aMW) RECs	\$12.75	\$510,000.00
3Degrees compliant with WA RPS legislation.	2026-2030	10,000 (1.14 aMW) RECs	\$12.95	\$129,500.00
Caely Renewables US LLC compliant with WA RPS legislation.	2026	40,000 (4.57 aMW) RECs	\$7.50	\$300,000.00

Proceeding with securing these two REC contracts will ensure continuing to meet the Districts Energy Independence Act requirements without the need to secure an additional REC contract until 2030 when CETA requirements begin.

Recommendation

Awarding the 3Degrees contract positions the District to be in compliance with EIA requirements through 2029 based on current delivery and utility load assumptions. Waiting until 2029 to secure additional contracts mitigates risk of the unknown status of future legislation on CETA requirements.

Fiscal Impact

Securing this 3Degrees REC contract along with another 1-year REC contract now results in exceeding the 2026 REC budget by approximately \$300,000.00, however the 5-year REC contract term will result in approximately \$1M savings under the Districts 2026-2030 budget.

Master Power Purchase & Sale Agreement



MASTER POWER PURCHASE AND SALES AGREEMENT

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MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Master Power Purchase and Sale Agreement* ("Master Agreement") is made as of the following date: [November [●], 2025] ("Effective Date"). The *Master Agreement*, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the "Agreement."

The Parties to this *Master Agreement* are the following:

Name 3Degrees Group, Inc. ("Party A")

All Notices:

Street: 235 Montgomery Street, Suite 320 _____

City: San Francisco _____ Zip: 94104 _____

Attn: Contract Administration

Phone: (916) 207-9275 _____

Facsimile: _____

Duns: 80-020-7768 _____

Federal Tax ID Number: 208-434582 _____

Invoices:

Attn: settlements@3degreesinc.com _____

Phone: (916) 207-9275 _____

Scheduling:

Attn: settlements@3degreesinc.com _____

Phone: (916) 207-9275 _____

Payments:

Attn: accounting@3degreesinc.com _____

Phone: 415-294-0844 _____

Wire Transfer:

BNK: Citibank N.A. _____

ABA: 021000089 _____

ACCT: 51174203 _____

Credit and Collections:

Attn: settlements@3degreesinc.com _____

Phone: 415-294-0844 _____

Name Public Utility District No. 1 of Benton County
("Party B")

All Notices:

Street: 2721 W. 10th Ave. _____

City: Kennewick _____ Zip: 99336 _____

Attn: Contract Administration

Phone: 509-582-1239 _____

Facsimile: 509-582-1285 _____

Duns: 003547122 _____

Federal Tax ID Number: 91-6001045 _____

Invoices:

Attn: Paula Newell _____

Phone: 509-582-1206 _____

Facsimile: 509-582-1294 _____

Scheduling:

Attn: Chris Johnson _____

Phone: 509-585-5389 _____

Facsimile: 509-582-1296 _____

Payments:

Attn: Paula Newell _____

Phone: 509-582-1206 _____

Facsimile: 509-582-1294 _____

Wire Transfer:

BNK: Bank of America _____

ABA: 026009593 _____

ACCT: 21119201 _____

Credit and Collections:

Attn: Paula Newell _____

Phone: 509-582-1206 _____

Facsimile: 509-582-1294 _____

With additional Notices of an Event of Default or
Potential Event of Default to:
Attn: Contracts Manager _____
Email: contractmanagement@3degreesinc.com _____

With additional Notices of an Event of Default or
Potential Event of Default to:
Attn: Chris Johnson _____
Phone: 509-585-5389 _____
Facsimile: 509-582-1296 _____

The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff Tariff Dated Not Applicable

Docket Number Not Applicable

Party B Tariff Tariff Dated Not Applicable

Docket Number Not Applicable

Article Two

Transaction Terms and Conditions ☒ Optional provision in Section 2.4. If not checked, inapplicable.

Article Four

Remedies for Failure to Deliver or Receive ☐ Accelerated Payment of Damages. If not checked, inapplicable.

Article Five

Events of Default; Remedies

☐ Cross Default for Party A:

☐ Party A: _____ Cross Default Amount \$

☐ Other Entity: _____ Cross Default Amount \$

☐ Cross Default for Party B:

☐ Party B _____ Cross Default Amount \$

☐ Other Entity: _____ Cross Default Amount \$ _____

5.6 Closeout Setoff

☒ Option A (Applicable if no other selection is made.)

☐ Option B - Affiliates shall have the meaning set forth in the Agreement unless otherwise specified as follows: _____

☐ Option C (No Setoff)

Article 8

Credit and Collateral Requirements

8.1 Party A Credit Protection

(a) Financial Information:

☐ Option A

☐ Option B Specify: _____

☒ Option C Specify: Most recent audited financials and current balance sheet provided upon request.

(b) Credit Assurances:

☒ Not Applicable

☐ Applicable

(c) Collateral Threshold:

☒ Not Applicable
☐ Applicable

Party B Independent Amount: Not applicable

Party B Rounding Amount: Not applicable

(d) Downgrade Event:

☒ Not Applicable
☐ Applicable

(e) Guarantor for Party B: Not applicable

Guarantee Amount: Not applicable

8.2 Party B Credit Protection:

(a) Financial Information:

☐ Option A
☐ Option B Specify:
☒ Option C Specify: Most recent audited financials and
current balance sheet provided upon request.

(b) Credit Assurances:

☒ Not Applicable
☐ Applicable

(c) Collateral Threshold:

☒ Not Applicable
☐ Applicable

Party A Independent Amount: Not applicable

Party A Rounding Amount: Not applicable

(d) Downgrade Event:

☒ Not Applicable
☐ Applicable

(e) Guarantor for Party A: Not Applicable

Guarantee Amount: Not Applicable

Article 10

Confidentiality ☒ Confidentiality Applicable If not checked, inapplicable.

Collateral Annex Applicability to Outstanding Transactions ☐ The Parties agree that all outstanding transactions entered into by them shall be subject to the Collateral Annex, including Paragraph 10 thereof.

Schedule M

☐ Party A is a Governmental Entity or Public Power System
☐ Party B is a Governmental Entity or Public Power System
☐ Add Section 3.6. If not checked, inapplicable
☐ Add Section 8.6. If not checked, inapplicable

Other Changes

Specify, if any: **The following changes shall be applicable:**

Part 1. GENERAL TERMS AND CONDITIONS

(a) **Definitions.** Article One is amended as set forth below:

(1) Article One is amended to add the following defined terms and definitions:

1.22.1 “Fitch” means Fitch Ratings (a subsidiary of Hearst Communications), or its successor.

1.24.1 “Governmental Charges” means all applicable federal, state and local ad valorem, property, occupation, severance, generation, first use, conservation, Btu or energy, transmission, utility, gross receipts, privilege, sales, use, consumption, excise and other taxes (other than taxes based on income or net worth), governmental charges, emission allowance, renewable energy certificate, benefit, reduction, offset or other beneficial allowances costs, duties, tariffs, levies, licenses, fees, permits, assessments, adders or surcharges (including public purposes charges and low income bill payment assistance charges), however styled or payable, imposed or authorized by a governmental authority, independent system operator, utility, transmission and distribution provider or similar person on or with respect to the Product or a Transaction.

1.25.1 “Guaranty Default” means, with respect to a guaranty or the Guarantor there under, the occurrence of any of the following events, if such defaults are not remedied within three (3) Business Days following written notice from the Non-Defaulting Party to the Defaulting Party: (i) any representation or warranty made or deemed to be made or repeated by such Guarantor in connection with such guaranty shall be false or misleading in any material respect when made or when deemed made or repeated; (ii) such Guarantor fails to pay, when due, any amount required pursuant to such guaranty; (iii) the failure of such Guarantor to comply with or timely perform any other material covenant or obligation set forth in such guaranty if such failure is not capable of remedy or is not remedied in accordance with the terms and conditions of such guaranty; (iv) a Merger Event occurs with respect to such Guarantor; (v) such guaranty expires or terminates, or fails or ceases to be in full force and effect and enforceable in accordance with its terms against such Guarantor, in any such case without replacement, prior to the satisfaction of all obligations, under each and every Transaction to which such guaranty relates, of the Party whose obligations are guaranteed under such guaranty; (vi) such Guarantor repudiates, disaffirms, disclaims, or rejects, in whole or in part, or challenges the validity of, its guaranty; (vii) such Guarantor becomes Bankrupt, or (viii) the Credit Rating of such Guarantor falls below BBB- from S&P, Baa3 from Moody’s or BBB- from Fitch, or the unsecured, senior long-term debt obligations of such Guarantor cease to be rated by at least one of S&P, Moody’s or Fitch; unless the Party whose obligations are guaranteed by such Guarantor provides to the other Party, within three (3) Business Days following such event, Performance Assurance, or a guaranty or other credit assurance acceptable to such other Party, in an amount determined by such other Party in a commercially reasonable manner; provided, however, that (except to the extent that such guaranty shall survive with respect to existing obligations, or shall be reinstated after it is canceled or returned to the Guarantor) no Event of Default shall occur or be continuing under this section with respect to a guaranty at any time after such guaranty is required to be canceled or returned to a Party in accordance with the terms of this Agreement.

1.27.1 “Letter of Credit Default” means, with respect to a Letter of Credit or the issuer thereof, the occurrence of any of the following events, if such defaults are not remedied within three (3) Business Days following written notice from the Non-Defaulting Party to the Defaulting Party: (i) such issuer fails to meet the requirements for a Qualified Institution; (ii) such issuer fails to honor the beneficiary Party’s properly documented request to draw on such Letter of Credit or otherwise fails to comply with or perform its obligations under such Letter of Credit; (iii) such issuer disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Letter of Credit; (iv) such Letter of Credit is not renewed at least 20 Business Days prior to the expiration of such Letter of Credit in accordance with its terms, or such Letter of Credit expires or terminates, or fails or ceases to be in full force and effect, at any time during the Term; or (v) such issuer becomes Bankrupt; provided, however, that no Letter of Credit Default will occur or be continuing with respect to a Letter of Credit after the time such Letter of Credit is required to be canceled or returned to a Party in accordance with the terms of this Agreement.

1.29.1 “Merger Event” means: (i) with respect to a Party, that such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity, and (A) the resulting, surviving or transferee entity fails to assume, effective immediately upon the effectiveness of such consolidation, amalgamation, merger or transfer, each and all of the obligations of such Party under this Agreement or under any guaranty or Letter of Credit or other Performance Assurance provided under or in connection with this Agreement, either by operation of law or pursuant to an agreement reasonably satisfactory to the other Party, or (B) any guaranty, Letter of Credit and other Performance Assurance or credit support requirements that are applicable to a Party under this Agreement fail, at any time following such consolidation, amalgamation, merger or transfer, to be satisfied in full by or with respect to such resulting, surviving or transferee entity; and (ii) with respect to a Party’s Guarantor, that such Guarantor consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity, and (A) the resulting, surviving or transferee entity fails to assume, effective immediately upon the effectiveness of such consolidation, amalgamation, merger or transfer, each and all of the obligations of such Guarantor under any guaranty provided under or in connection with this Agreement, either by operation of law or pursuant to an agreement reasonably satisfactory to the other Party, (B) the Credit Rating of the resulting, surviving or transferee entity is less than “BBB-” from S&P, “Baa3” from Moody’s or BBB-” from Fitch, or (C) the resulting, surviving or transferee entity is not rated by at least one of S&P, Moody’s or Fitch.

1.48.1 “Qualified Institution” means a major U.S. or Canadian commercial bank or a U.S. branch office of a foreign bank having, in either case, (i) assets of at least USD \$10 billion and (ii) a Credit Rating from two or more of S&P, Moody’s and Fitch, which Credit Rating is at least “A-” from S&P (in the event that such bank has a Credit Rating from S&P), “A3” from Moody’s (in the event that such bank has a Credit Rating from Moody’s) and “A-” from Fitch (in the event that such bank has a Credit Rating from Fitch).

(2) **Bankrupt.** Section 1.3 is amended and restated to read in its entirety as follows:

“1.3 ‘Bankrupt’ means that a Party or other entity (as applicable): (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails (or admits in writing its inability) generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation; (v) commences a voluntary proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights; (vi) seeks or consents to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets, or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets; (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in clauses (i) to (vii) inclusive; or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.”

(3) **Credit Rating.** Section 1.12 is amended and restated to read in its entirety as follows:

“1.12 ‘Credit Rating’ means (i) with respect to any entity other than a financial institution, the current (A) rating issued or maintained by S&P, Moody’s or Fitch, as applicable, with respect to such entity’s long-term senior, unsecured, unsubordinated debt obligations (not supported by third party credit enhancements) or (B) corporate credit rating or long-term issuer rating issued or maintained with respect to such entity by S&P, Moody’s or Fitch, as applicable, notched down one (1) rating grade (e.g., if an entity’s issuer credit rating is BBB-, its Credit Rating will be BB+) or (ii) with respect to an entity that is a financial institution, the ratings issued or maintained by S&P, Moody’s or Fitch, as applicable, with respect to such entity’s long-term, unsecured, unsubordinated deposits.”

(4) **Letter of Credit.** Section 1.27 is amended and restated to read in its entirety as follows:

“1.27 ‘Letter of Credit’ means an irrevocable, transferable, standby letter of credit, issued by a Qualified Institution, which letter of credit is reasonably acceptable in form and substance to the beneficiary thereof. The cost of any Letter of Credit shall be borne by the applicant therefore.”

(5) **Recording.** Section 1.50 is amended by deleting “Section 2.4” and substituting “Section 2.5”.

(b) **Events of Default.**

(1) Section 5.1(f) is amended and restated to read in its entirety as follows:

“(f) a Merger Event occurs with respect to such Party;”

(2) Section 5.1(g) is amended and restated to read in its entirety as follows:

“(g) if the applicable cross default section in the Cover Sheet is indicated for such Party, the occurrence and continuation of (i) a default, event of default or other similar condition or event in respect of such Party or any other party specified in the Cover Sheet for such Party under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money, in an aggregate amount of not less than the applicable Cross Default Amount (as specified in the Cover Sheet), which default, event of default or other similar condition or event (after giving effect to any applicable notice requirement or grace period) results in such indebtedness becoming immediately due and payable or (ii) a default by such Party or any other party specified in the Cover Sheet for such Party (after giving effect to any applicable notice requirement or grace period) in making on the due date therefore one or more payments, individually or collectively, in an aggregate amount not less than the applicable Cross Default Amount (as specified in the Cover Sheet) (after giving effect to any applicable notice requirement or grace period); provided, however, that an Event of Default shall not occur with respect to a Party under this Section 5.1(g) if, as demonstrated to the reasonable satisfaction of the other Party, the Event of Default or the failure to pay is the result of a good faith dispute, or an error or omission of an administrative or clerical nature, and funds were available to the defaulting Party or other party (as applicable) to enable it to make the relevant payment when due, and, in the case of any such error or omission, such payment is made within three (3) Business Days following receipt of written notice from such other Party to the Party or other party (as applicable) from which the payment is owed;”

(3) Section 5.1(h) is amended and restated to read in its entirety as follows:

“(h) the occurrence of a Guaranty Default with respect to a guaranty or the Guarantor there under.”

(4) Section 5.1 is amended to add the following:

“(i) the occurrence of a Letter of Credit Default with respect to any Letter of Credit issued in support of any obligations of such Party under this Agreement or any issuer of any such Letter of Credit.

(c) **Declaration of an Early Termination Date and Calculation of Settlement Amount.** Section 5.2 is amended and restated to read in its entirety as follows:

“5.2 Effect of Event of Default. If at any time an Event of Default with respect to a Defaulting Party has occurred and is continuing, the Non-Defaulting Party may do one or more of the following: (a) withhold any payments due to the Defaulting Party under this Agreement; (b) suspend performance due to the Defaulting Party under this Agreement; or (c) by giving not more than twenty (20) days notice, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions (each referred to as a “Terminated Transaction”). The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for each such Terminated Transaction as of the Early Termination Date (or, to the extent that in the reasonable opinion of the Non-Defaulting Party certain of such Terminated Transactions are commercially impracticable to liquidate and terminate or may not be liquidated and terminated under applicable law on the Early Termination Date, then each such Transaction (each, an “Excluded Transaction”) shall be terminated as soon thereafter as reasonably practicable, and upon termination shall be deemed to be a Terminated Transaction and the Termination Payment payable in connection with all such Transactions shall be calculated in accordance with Section 5.3 below. The Gains and Losses for each

Terminated Transaction shall be determined by calculating the amount that would be incurred or realized to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of that Terminated Transaction. The Non-Defaulting Party (or its agent) may determine its Gains and Losses by reference to information either available to it internally or supplied by one or more third parties including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets. Third parties supplying such information may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information.”

- (d) **Net Out of Settlement Amounts.** Section 5.3 is amended and restated to read in its entirety as follows:

“5.3 Net Out of Settlement Amounts. The Non-Defaulting Party shall aggregate all Settlement Amounts into a single amount by netting (a) all Settlement Amounts that are due to the Defaulting Party, plus any or all other amounts due to the Defaulting Party under this Agreement, against (b) all Settlement Amounts that are due to the Non-Defaulting Party, plus any or all other amounts due to the Non-Defaulting Party under this Agreement, such that all such amounts are netted to a single liquidated amount (the “Termination Payment”) payable by one Party to the other. For purposes of determining the Termination Payment, the Non-Defaulting Party may, at its option, include in such netting, or set off, any or all cash or other form of security then available to the Non-Defaulting Party and any and all cash or other form of security then available to the Defaulting Party. [The Termination Payment shall be due to or due from the Non-Defaulting Party, as applicable.]”

- (e) **Notice of Payment of Termination Payment.** Section 5.4 is amended by adding the following at the end thereof: “Notwithstanding any provision to the contrary contained in this Agreement, the Non-Defaulting Party shall not be required to pay to the Defaulting Party any amount under Article Five until the Non-Defaulting Party receives confirmation satisfactory to it in its reasonable discretion (which may include an opinion of its counsel) that all other obligations of any kind whatsoever of the Defaulting Party to make any payments to the Non-Defaulting Party under this Agreement (including any amounts payable pursuant to Excluded Transactions) have been fully and finally performed.”
- (f) **Disputes With Respect to Termination Payment.** Section 5.5 is amended by deleting “first transfer Performance Assurance to the Non-Defaulting Party in an amount equal to the Termination Payment” and substituting “prior to or concurrently with, and within the time frame required for providing such notice of dispute, nonetheless pay, in full, the Termination Payment.”
- (g) **Closeout Setoffs.** Section 5.6, Closeout Setoffs (Options A and B), is hereby amended to replace the words “due and owing” in line 4 with the words “payable (whether at such time or in the future)” and by adding the following sentence at the end of Options A and B: “If any obligation is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and set-off in respect of the estimate, subject to the Non-Defaulting Party accounting to the other when the obligation is ascertained.”
- (h) **Netting and Payments.** Section 6.4, Netting of Payments. of the Master Agreement is hereby amended to add the words “(the “Aggregate Amount”)” after the phrase “to the other Party” in the third line; add the words “(the “Net Remittance Amount”)” after the words “amount remaining due” in the seventh line; and add the following at the end of Section 6.4:

“The net invoice shall identify each of the Transactions included in the calculation of the Net Remittance Amount (i.e., each of the Transactions included in each Party’s Aggregate Amount for the billing period) and provide sufficient detail to enable the Party owing payment to ascertain its accuracy. Payment of the Net Remittance Amount shall constitute full and final payment and satisfaction for the Transactions included in each Party’s Aggregate Amount for the applicable billing period, except to the extent that (i) any portion of any Aggregate Amount has, prior to payment, been identified as a subject of a good faith dispute; or (ii) if either Party’s records reveals an inaccuracy or discrepancy in an invoice delivered to the other Party, each Party shall have a period of up to one (1) year from the date on which the original invoice should have been delivered to submit a new invoice. Guarantees, letters of credit, escrow accounts and any other security arrangements in effect between the Parties at the time of the monthly settlement or netting shall be disregarded when determining the Aggregate Amount owed by each Party to the other.”

- (i) **Limitation of Remedies, Liability and Damages.** Section 7.1 is amended : (i) to add the following proviso at the end of the fourth sentence thereof: “PROVIDED, HOWEVER, THAT NOTWITHSTANDING THE FOREGOING, IN

NO EVENT WILL THE FOREGOING LIMITATIONS OF LIABILITY BE APPLIED TO LIMIT THE EXTENT OF THE LIABILITY OF EITHER PARTY TO THE OTHER FOR OR WITH RESPECT TO ANY INDEMNITY CLAIMS"; (ii) to delete from the beginning of the fifth sentence the phrase "UNLESS EXPRESSLY HEREIN PROVIDED" and substituting the phrase "WITHOUT PREJUDICE TO THE CALCULATION OF ANY SETTLEMENT OR TERMINATION PAYMENT AMOUNT"; and (iii) to add at the end of such section the following: "NOTHING IN THE FOREGOING SHALL BE CONSTRUED TO LIMIT ANY LEGAL, EQUITABLE OR STATUTORY RIGHTS OF SETOFF OR ANY RIGHTS UNDER ANY PERFORMANCE ASSURANCE, OR TO PROHIBIT ANY ACTION TO ENFORCE ANY REMEDY PROVIDED UNDER THIS AGREEMENT. THE PROVISIONS OF THIS ARTICLE SEVEN SHALL SURVIVE THE TERMINATION FOR ANY REASON OF THIS AGREEMENT."

(j) Uniform Commercial Code Waiver. The following provision is added as Section 8.4:

"8.4. Uniform Commercial Code Waiver. Section 8 of this Agreement sets forth the entirety of the agreement of the Parties regarding credit, collateral and adequate assurances. Except as expressly set forth in the options elected by the Parties in respect of Sections 8.1 and 8.2, in Section 8.3, neither Party:

(a) has or will have any obligation to post margin, provide letters of credit, pay deposits, make any other prepayments or provide any other financial assurances, in any form whatsoever, or

(b) will have reasonable grounds for insecurity with respect to the creditworthiness of a Party that is complying with the relevant provisions of Section 8 of this Agreement;

and the Parties hereby waive all implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines.

(k) Governmental Charges. The first sentence of Section 9.2 is amended and restated to read in its entirety as follows: "Seller shall pay or cause to be paid all Governmental Charges on or with respect to the Product or a Transaction arising prior to the Delivery Point."

(l) Representations and Warranties.

(1) The first two lines of Section 10.2 are hereby deleted and replaced with the following: "Each Party hereby represents and warrants, as of the Effective Date and the date of entering into each Transaction, and (with the exception of the representation and warranty set forth in Section 10.2(vi)) on a continuing basis throughout the entire term of each and every Transaction (including each and every Confirmation accepted in accordance with Section 2.3), that:"

(2) Section 10.2(vi) is amended and restated to read in its entirety as follows:

"(vi) there is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that reasonably might materially adversely affect its ability to perform its obligations under this Master Agreement or any Transaction (including any Confirmation accepted in accordance with Section 2.3);"

(3) Section 10.2(viii) is amended by adding at the end thereof: "; it is understood that information and explanations of the terms and conditions of each such Transaction shall not be considered investment or trading advice or a recommendation to enter into such Transaction; no communication (written or oral) received by either Party from the other Party shall be deemed to be an assurance or guarantee as to the expected results of such Transaction; and neither Party is acting as a fiduciary for or an adviser to the other Party or its Affiliates in respect of such Transaction;".

(4) Section 10.2(ix) is amended and restated to read in its entirety as follows: "(ix) (1) it is a 'forward contract merchant' within the meaning of the United States Bankruptcy Code; (2) it is a 'swap participant' within the meaning of the United States Bankruptcy Code; (3) it is an 'eligible commercial entity' within the meaning of Section 1a (11) of the Commodity Exchange Act, as amended (the 'Commodity Exchange Act'); and (4) it is an 'eligible contract participant' within the meaning of Section 1a (12) of the Commodity Exchange Act."

- (m) **Indemnity.** Section 10.4 is amended and restated to read in its entirety as follows:

“10.4 Indemnity. Seller hereby indemnifies and agrees to defend and hold harmless Buyer from and against any and all Claims resulting from or arising out of any event, circumstance, act or incident first occurring or existing prior to the Delivery Point. Buyer hereby indemnifies and agrees to defend and hold harmless Seller from and against any and all Claims resulting from or arising out of any event, circumstance, act or incident first occurring or existing at, from or after the Delivery Point. Notwithstanding the foregoing, neither Party shall have any obligation to indemnify the other Party from or against any Claims to the extent caused by, resulting from, relating to or arising out of the negligence or intentional misconduct of such other Party. Each Party hereby indemnifies and agrees to defend and hold harmless the other Party from and against any Governmental Charges for which such Party is responsible under Article Nine. The obligations of the Parties under this Agreement with respect to indemnification shall survive the termination of this Agreement and shall continue for a period of two (2) years following any termination of this Agreement, provided, however, that such obligations with respect to indemnification shall continue only with respect to claims for indemnification based upon events or circumstances occurring or arising on or before the termination of this Agreement.”

- (n) **Assignment.** Section 10.5 is amended and restated to read in its entirety as follows:

“10.5 Assignment. Neither Party shall, without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed, assign, pledge or transfer all or any part of, or any right or obligation under, this Agreement, whether voluntarily or by operation of law, and any such assignment or transfer without such consent shall be null and void; provided, however, that either Party may, without the consent of the other Party (and without relieving itself of any liability hereunder), (a) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof for security purposes in connection with any financing or other financial arrangements, (b) transfer or assign this Agreement to an Affiliate of such Party, provided that the Credit Rating of such Affiliate (or, if such Affiliate is not rated, of such Affiliate’s Guarantor) is equal to or higher than the Credit Rating of such Party (or, if such Party is not rated, of such Party’s Guarantor), or (c) transfer or assign all (but not less than all) of such Party’s right, title and interest in and to this Agreement to any Person succeeding to all or substantially all of such Party’s assets, provided that the Credit Rating of such Person (or, if such Person is not rated, of such Person’s Guarantor) is equal to or higher than the Credit Rating of such Party (or, if such Party is not rated, of such Party’s Guarantor). As a condition to the effectiveness of any transfer or assignment of this Agreement or any rights or obligations under this Agreement, the applicable transferee or assignee shall agree in writing to be bound by the terms and conditions of this Agreement and the transferring or assigning Party shall deliver such tax and enforceability assurance as the other Party may reasonably request. Subject to the foregoing restrictions on assignment, this Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. No transfer or assignment permitted hereunder shall, except as and to the extent otherwise agreed in writing between the Parties, relieve the transferring or assigning Party of any of its obligations under this Agreement.”

- (o) **Governing Law.** The first sentence of Section 10.6 is amended and restated to read in its entirety as follows: “THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WASHINGTON, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.”

- (p) **Notices.** Section 10.7 is amended as follows: (i) by inserting “, electronic means” in the fourth line after the word “service”; (ii) by inserting “electronic means,” in the fourth line after the word “by”; and (iii) by inserting the following at the end of the sentence in the fourth line: “provided, however, that any non-routine notices (e.g., notices of default) shall be delivered by a means other than an electronic means.”

- (q) **General.** Section 10.8 is amended as follows:

- (1) To add the following sentence after the sentence “Except to the extent herein provided for, no amendment or modification to this Master Agreement shall be enforceable unless reduced to writing and executed by both Parties.”: “Furthermore, no amendment or modification to any Confirmation which has been fully executed by both Parties shall be enforceable unless reduced to writing and executed by both Parties.”
- (2) To add the following new sentence on the 27th line, immediately before the sentence “The headings used herein are for convenience and reference purposes only.”: “References in this Agreement to “or” shall be deemed to

be disjunctive but not necessarily exclusive (i.e., unless the context dictates otherwise, “or” shall be interpreted to mean “and/or” rather than “either/or”).”

- (3) To add the following at the end of the section: “This Agreement, including any Confirmations, may be executed in counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same original instrument. Delivery of an executed counterpart of a signature page to this Agreement or to any Confirmation by facsimile or electronic means shall be effective as delivery of a manually executed counterpart of this Agreement or Confirmation. Electronic or fax copies of executed original copies of this Agreement and any Confirmation shall be sufficient and admissible evidence of the content and existence of this Agreement or any Confirmation to the same extent as the originally executed copy or copies (if executed in counterpart)”.

- (r) **Bankruptcy Issues.** Section 10.10 is hereby amended and restated to read in its entirety as follows:

“10.10 Bankruptcy Issues. The Parties intend that (i) each Transaction constitutes a “forward contract” (except such Transactions that provide for delivery of a Product within two (2) days after the Transaction has been agreed to by the Parties) within the meaning of the United States Bankruptcy Code or a forward agreement and therefore a “swap agreement” within the meaning of the United States Bankruptcy Code; (ii) all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute “settlement payments” within the meaning of the United States Bankruptcy Code; (iii) all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute “margin payments” within the meaning of the United States Bankruptcy Code; and (iv) this Agreement constitutes a “master netting agreement” within the meaning of the United States Bankruptcy Code.”

- (s) **Confidentiality.** Section 10.11 is amended and restated to read in its entirety as follows:

“10.11 Confidentiality.

(a) If the Parties have elected on the Cover Sheet to make this Section 10.11 applicable to this Master Agreement, neither Party shall disclose the terms or conditions of a Transaction under this Master Agreement or the completed Cover Sheet to, or any annex to, this Master Agreement to a third party (other than the Party’s or any of the Party’s Affiliates’ employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential or are otherwise bound by confidentiality obligations at least as restrictive as those contained herein) except in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding or request by a regulatory authority; provided, however, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit any such disclosure. The Parties shall be entitled to all remedies available at law or in equity (including preliminary and permanent injunctive relief) to enforce, or seek relief in connection with, this confidentiality obligation. It is understood that (i) each Party will inform each and all of its or its Affiliates’ employees, lenders, counsel, accountants or advisors to whom any confidential information under this Agreement shall be disclosed or be accessible of the confidential nature of such confidential information, and (ii) in any event, shall be responsible for any breach of any of the confidentiality obligations set forth in this Section 10.11 by any of its or its Affiliates’ employees, lenders, counsel, accountants or advisors.

(b) In the event the recipient Party is requested or ordered in any legal proceeding or process (including, without limitation, requests under state or federal public disclosure laws) to disclose any of the confidential information, the recipient Party shall not make any voluntary disclosure without the prior written authorization of the disclosing Party, and the recipient Party shall take all reasonable steps to resist, clarify or narrow such requests or orders, as appropriate, and obtain other reliable assurances of nondisclosure in order to maintain the confidential and secret nature of the confidential information. The recipient Party further shall provide the disclosing Party with immediate notice of any such requests or orders so that the disclosing Party can take independent steps to resist, clarify or narrow such requests or orders and seek and obtain appropriate protective orders or other reliable assurances of nondisclosure, and the recipient Party shall reasonably cooperate with the disclosing Party, at the disclosing Party’s cost and expense, in connection therewith. However, notwithstanding the foregoing or any other provision of this Agreement, Party A acknowledges that Party B, as a Washington State municipal corporation, is subject to the Washington State Public Records Act, Ch. 42.56 RCW, and Party A agrees that Party B shall not be in breach of this Agreement or have any liability whatsoever under this Agreement or otherwise for any claims or causes of action

whatsoever resulting from or arising out of Party B's copying or releasing to a third party any of the confidential information of Party A when ordered or instructed to do so by a court of competent jurisdiction, or when, in the professional judgment of Party B's counsel, Party B is compelled to permit such disclosure or copying or else risk civil or criminal liability. Party B shall provide timely notice to Party A of any public records request, claim or action reasonably placing at risk the release of any confidential information of Party A, in order to permit Party A to intervene therein, or initiate an action to enjoin release of the confidential information, at Party A's own cost and expense. Under no circumstances will Party B have any responsibility or obligation whatsoever to initiate or defend against any inquiry, investigation, action, claim, suit, arbitration or proceeding relating to the confidentiality of any material furnished to Party B by Party A. The provisions of this section shall survive the expiration or termination of this Agreement.

(c) Notwithstanding the foregoing, a Party shall not be deemed to be in breach of this Section 10.11 for any disclosure by such Party to any Product industry price source publication generally recognized in the commodities markets the terms or conditions of a Transaction, provided that the name of and any other identifying information relating to the other Party is redacted and otherwise not disclosed.

(d) The requirements of this Section 10.11 shall not apply to information that (i) is or becomes generally available to the public other than as a direct or indirect result of an intentional or inadvertent disclosure in violation of this Agreement by the recipient Party or any representative or Affiliate of the recipient Party or anyone to whom the recipient Party or any of its representatives or Affiliates transmits the information, (ii) was available to the recipient Party prior to its disclosure to the recipient Party by the disclosing Party or any of the disclosing Party's Affiliates or its or their representatives, provided that such information is not known to the recipient Party to be subject to another confidentiality agreement with, or other obligation of secrecy to, the disclosing Party or another party, (iii) becomes available to the recipient Party from a source other than the disclosing Party or any of the disclosing Party's Affiliates or its or their representatives, provided that such source is not known to the recipient Party to be subject to another confidentiality agreement with, or other obligation of secrecy to, the disclosing Party or another party, or (iv) is independently developed by the recipient Party, without reference to or use of Confidential Information received hereunder."

(t) **Attorneys Fees.** The following provision is added as Section 10.12:

"10.12 Attorneys' Fees. In the event of any action between the Parties relating to this Agreement or the subject matter hereof, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and expenses and costs of litigation, in addition to any other relief granted or awarded."

(u) **Electronic Imaged Documents.** The following provision is added as Section 10.13:

"10.13. Electronic Imaged Documents. Any original executed Agreement, Confirmation or other related document may be photocopied and stored on computer tapes and disks (an "Imaged Agreement"). Any Imaged Agreement, if introduced as evidence on paper, the Confirmation, if introduced as evidence in automated facsimile form, the Recording, if introduced as evidence in its original form and as transcribed onto paper, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the Recording, the Confirmation or the Imaged Agreement (or photocopies of the transcription of the Recording, the Confirmation or the Imaged Agreement) on the basis that such were not originated or maintained in documentary form under the hearsay rule, the best evidence rule or other rule of evidence."

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed in one or more counterparts (each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same agreement) as of the date first above written. The Parties expressly acknowledge that delivery of an executed counterpart of a signature page of this Master Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Master Agreement.

3Degrees Group, Inc.

By: _____
Name: _____
Title: _____
Date: _____

Public Utility District No. 1 of Benton County

By: _____
Name: Rick Dunn
Title: General Manager
Date: [November [●], 2025]

DISCLAIMER: This Master Power Purchase and Sale Agreement was prepared by a committee of representatives of Edison Electric Institute (“EEI”) and National Energy Marketers Association (“NEM”) member companies to facilitate orderly trading in and development of wholesale power markets. Neither EEI nor NEM nor any member company nor any of their agents, representatives or attorneys shall be responsible for its use, or any damages resulting therefrom. By providing this Agreement EEI and NEM do not offer legal advice and all users are urged to consult their own legal counsel to ensure that their commercial objectives will be achieved and their legal interests are adequately protected.

GENERAL TERMS AND CONDITIONS

ARTICLE 1: GENERAL DEFINITIONS

1.1 “Affiliate” means, with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

1.2 “Agreement” has the meaning set forth in the Cover Sheet.

1.3 “Bankrupt” means with respect to any entity, such entity (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due.

1.4 “Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time for the relevant Party’s principal place of business. The relevant Party, in each instance unless otherwise specified, shall be the Party from whom the notice, payment or delivery is being sent and by whom the notice or payment or delivery is to be received.

1.5 “Buyer” means the Party to a Transaction that is obligated to purchase and receive, or cause to be received, the Product, as specified in the Transaction.

1.6 “Call Option” means an Option entitling, but not obligating, the Option Buyer to purchase and receive the Product from the Option Seller at a price equal to the Strike Price for the Delivery Period for which the Option may be exercised, all as specified in the Transaction. Upon proper exercise of the Option by the Option Buyer, the Option Seller will be obligated to sell and deliver the Product for the Delivery Period for which the Option has been exercised.

1.7 “Claiming Party” has the meaning set forth in Section 3.3.

1.8 “Claims” means all third party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorneys’ fees and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

1.9 “Confirmation” has the meaning set forth in Section 2.3.

1.10 “Contract Price” means the price in \$U.S. (unless otherwise provided for) to be paid by Buyer to Seller for the purchase of the Product, as specified in the Transaction.

1.11 “Costs” means, with respect to the Non-Defaulting Party, brokerage fees, commissions and other similar third party transaction costs and expenses reasonably incurred by such Party either in

terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace a Terminated Transaction; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with the termination of a Transaction.

1.12 "Credit Rating" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issues rating by S&P, Moody's or any other rating agency agreed by the Parties as set forth in the Cover Sheet.

1.13 "Cross Default Amount" means the cross default amount, if any, set forth in the Cover Sheet for a Party.

1.14 "Defaulting Party" has the meaning set forth in Section 5.1.

1.15 "Delivery Period" means the period of delivery for a Transaction, as specified in the Transaction.

1.16 "Delivery Point" means the point at which the Product will be delivered and received, as specified in the Transaction.

1.17 "Downgrade Event" has the meaning set forth on the Cover Sheet.

1.18 "Early Termination Date" has the meaning set forth in Section 5.2.

1.19 "Effective Date" has the meaning set forth on the Cover Sheet.

1.20 "Equitable Defenses" means any bankruptcy, insolvency, reorganization and other laws affecting creditors' rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending.

1.21 "Event of Default" has the meaning set forth in Section 5.1.

1.22 "FERC" means the Federal Energy Regulatory Commission or any successor government agency.

1.23 "Force Majeure" means an event or circumstance which prevents one Party from performing its obligations under one or more Transactions, which event or circumstance was not anticipated as of the date the Transaction was agreed to, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of Buyer's markets; (ii) Buyer's inability economically to use or resell the Product purchased hereunder; (iii) the loss or failure of Seller's supply; or (iv) Seller's ability to sell the Product at a price greater than the Contract Price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (i) such Party has contracted for firm transmission with a Transmission Provider for the Product to be delivered to or received at the Delivery Point and (ii) such curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; provided, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of a Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in the first sentence

hereof has occurred. The applicability of Force Majeure to the Transaction is governed by the terms of the Products and Related Definitions contained in Schedule P.

1.24 “Gains” means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of a Terminated Transaction, determined in a commercially reasonable manner.

1.25 “Guarantor” means, with respect to a Party, the guarantor, if any, specified for such Party on the Cover Sheet.

1.26 “Interest Rate” means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under “Money Rates” on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

1.27 “Letter(s) of Credit” means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a credit rating of at least A- from S&P or A3 from Moody’s, in a form acceptable to the Party in whose favor the letter of credit is issued. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

1.28 “Losses” means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of a Terminated Transaction, determined in a commercially reasonable manner.

1.29 “Master Agreement” has the meaning set forth on the Cover Sheet.

1.30 “Moody’s” means Moody’s Investor Services, Inc. or its successor.

1.31 “NERC Business Day” means any day except a Saturday, Sunday or a holiday as defined by the North American Electric Reliability Council or any successor organization thereto. A NERC Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time for the relevant Party’s principal place of business. The relevant Party, in each instance unless otherwise specified, shall be the Party from whom the notice, payment or delivery is being sent and by whom the notice or payment or delivery is to be received.

1.32 “Non-Defaulting Party” has the meaning set forth in Section 5.2.

1.33 “Offsetting Transactions” mean any two or more outstanding Transactions, having the same or overlapping Delivery Period(s), Delivery Point and payment date, where under one or more of such Transactions, one Party is the Seller, and under the other such Transaction(s), the same Party is the Buyer.

1.34 “Option” means the right but not the obligation to purchase or sell a Product as specified in a Transaction.

1.35 “Option Buyer” means the Party specified in a Transaction as the purchaser of an option, as defined in Schedule P.

1.36 “Option Seller” means the Party specified in a Transaction as the seller of an option, as defined in Schedule P.

1.37 “Party A Collateral Threshold” means the collateral threshold, if any, set forth in the Cover Sheet for Party A.

1.38 “Party B Collateral Threshold” means the collateral threshold, if any, set forth in the Cover Sheet for Party B.

1.39 “Party A Independent Amount” means the amount, if any, set forth in the Cover Sheet for Party A.

1.40 “Party B Independent Amount” means the amount, if any, set forth in the Cover Sheet for Party B.

1.41 “Party A Rounding Amount” means the amount, if any, set forth in the Cover Sheet for Party A.

1.42 “Party B Rounding Amount” means the amount, if any, set forth in the Cover Sheet for Party B.

1.43 “Party A Tariff” means the tariff, if any, specified in the Cover Sheet for Party A.

1.44 “Party B Tariff” means the tariff, if any, specified in the Cover Sheet for Party B.

1.45 “Performance Assurance” means collateral in the form of cash, Letter(s) of Credit, or other security acceptable to the Requesting Party.

1.46 “Potential Event of Default” means an event which, with notice or passage of time or both, would constitute an Event of Default.

1.47 “Product” means electric capacity, energy or other product(s) related thereto as specified in a Transaction by reference to a Product listed in Schedule P hereto or as otherwise specified by the Parties in the Transaction.

1.48 “Put Option” means an Option entitling, but not obligating, the Option Buyer to sell and deliver the Product to the Option Seller at a price equal to the Strike Price for the Delivery Period for which the option may be exercised, all as specified in a Transaction. Upon proper exercise of the Option by the Option Buyer, the Option Seller will be obligated to purchase and receive the Product.

1.49 “Quantity” means that quantity of the Product that Seller agrees to make available or sell and deliver, or cause to be delivered, to Buyer, and that Buyer agrees to purchase and receive, or cause to be received, from Seller as specified in the Transaction.

1.50 “Recording” has the meaning set forth in Section 2.4.

1.51 “Replacement Price” means the price at which Buyer, acting in a commercially reasonable manner, purchases at the Delivery Point a replacement for any Product specified in a Transaction but not delivered by Seller, plus (i) costs reasonably incurred by Buyer in purchasing such substitute Product and (ii) additional transmission charges, if any, reasonably incurred by Buyer to the Delivery Point, or at Buyer’s option, the market price at the Delivery Point for such Product not delivered as determined by Buyer in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Buyer be required to utilize or change its utilization of its

owned or controlled assets or market positions to minimize Seller's liability. For the purposes of this definition, Buyer shall be considered to have purchased replacement Product to the extent Buyer shall have entered into one or more arrangements in a commercially reasonable manner whereby Buyer repurchases its obligation to sell and deliver the Product to another party at the Delivery Point.

1.52 "S&P" means the Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor.

1.53 "Sales Price" means the price at which Seller, acting in a commercially reasonable manner, resells at the Delivery Point any Product not received by Buyer, deducting from such proceeds any (i) costs reasonably incurred by Seller in reselling such Product and (ii) additional transmission charges, if any, reasonably incurred by Seller in delivering such Product to the third party purchasers, or at Seller's option, the market price at the Delivery Point for such Product not received as determined by Seller in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Seller be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize Buyer's liability. For purposes of this definition, Seller shall be considered to have resold such Product to the extent Seller shall have entered into one or more arrangements in a commercially reasonable manner whereby Seller repurchases its obligation to purchase and receive the Product from another party at the Delivery Point.

1.54 "Schedule" or "Scheduling" means the actions of Seller, Buyer and/or their designated representatives, including each Party's Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity and type of Product to be delivered on any given day or days during the Delivery Period at a specified Delivery Point.

1.55 "Seller" means the Party to a Transaction that is obligated to sell and deliver, or cause to be delivered, the Product, as specified in the Transaction.

1.56 "Settlement Amount" means, with respect to a Transaction and the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in U.S. Dollars, which such party incurs as a result of the liquidation of a Terminated Transaction pursuant to Section 5.2.

1.57 "Strike Price" means the price to be paid for the purchase of the Product pursuant to an Option.

1.58 "Terminated Transaction" has the meaning set forth in Section 5.2.

1.59 "Termination Payment" has the meaning set forth in Section 5.3.

1.60 "Transaction" means a particular transaction agreed to by the Parties relating to the sale and purchase of a Product pursuant to this Master Agreement.

1.61 "Transmission Provider" means any entity or entities transmitting or transporting the Product on behalf of Seller or Buyer to or from the Delivery Point in a particular Transaction.

ARTICLE 2: TRANSACTION TERMS AND CONDITIONS

2.1 Transactions . A Transaction shall be entered into upon agreement of the Parties orally or, if expressly required by either Party with respect to a particular Transaction, in writing, including an electronic means of communication. Each Party agrees not to contest, or assert any defense to, the validity

or enforceability of the Transaction entered into in accordance with this Master Agreement (i) based on any law requiring agreements to be in writing or to be signed by the parties, or (ii) based on any lack of authority of the Party or any lack of authority of any employee of the Party to enter into a Transaction.

2.2 Governing Terms . Unless otherwise specifically agreed, each Transaction between the Parties shall be governed by this Master Agreement. This Master Agreement (including all exhibits, schedules and any written supplements hereto), , the Party A Tariff, if any, and the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any Confirmations accepted in accordance with Section 2.3) shall form a single integrated agreement between the Parties. Any inconsistency between any terms of this Master Agreement and any terms of the Transaction shall be resolved in favor of the terms of such Transaction.

2.3 Confirmation . Seller may confirm a Transaction by forwarding to Buyer by facsimile within three (3) Business Days after the Transaction is entered into a confirmation (“Confirmation”) substantially in the form of Exhibit A. If Buyer objects to any term(s) of such Confirmation, Buyer shall notify Seller in writing of such objections within two (2) Business Days of Buyer’s receipt thereof, failing which Buyer shall be deemed to have accepted the terms as sent. If Seller fails to send a Confirmation within three (3) Business Days after the Transaction is entered into, a Confirmation substantially in the form of Exhibit A, may be forwarded by Buyer to Seller. If Seller objects to any term(s) of such Confirmation, Seller shall notify Buyer of such objections within two (2) Business Days of Seller’s receipt thereof, failing which Seller shall be deemed to have accepted the terms as sent. If Seller and Buyer each send a Confirmation and neither Party objects to the other Party’s Confirmation within two (2) Business Days of receipt, Seller’s Confirmation shall be deemed to be accepted and shall be the controlling Confirmation, unless (i) Seller’s Confirmation was sent more than three (3) Business Days after the Transaction was entered into and (ii) Buyer’s Confirmation was sent prior to Seller’s Confirmation, in which case Buyer’s Confirmation shall be deemed to be accepted and shall be the controlling Confirmation. Failure by either Party to send or either Party to return an executed Confirmation or any objection by either Party shall not invalidate the Transaction agreed to by the Parties.

2.4 Additional Confirmation Terms . If the Parties have elected on the Cover Sheet to make this Section 2.4 applicable to this Master Agreement, when a Confirmation contains provisions, other than those provisions relating to the commercial terms of the Transaction (e.g., price or special transmission conditions), which modify or supplement the general terms and conditions of this Master Agreement (e.g., arbitration provisions or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 2.3 unless agreed to either orally or in writing by the Parties; provided that the foregoing shall not invalidate any Transaction agreed to by the Parties.

2.5 Recording . Unless a Party expressly objects to a Recording (defined below) at the beginning of a telephone conversation, each Party consents to the creation of a tape or electronic recording (“Recording”) of all telephone conversations between the Parties to this Master Agreement, and that any such Recordings will be retained in confidence, secured from improper access, and may be submitted in evidence in any proceeding or action relating to this Agreement. Each Party waives any further notice of such monitoring or recording, and agrees to notify its officers and employees of such monitoring or recording and to obtain any necessary consent of such officers and employees. The Recording, and the terms and conditions described therein, if admissible, shall be the controlling evidence for the Parties’ agreement with respect to a particular Transaction in the event a Confirmation is not fully executed (or deemed accepted) by both Parties. Upon full execution (or deemed acceptance) of a Confirmation, such Confirmation shall control in the event of any conflict with the terms of a Recording, or in the event of any conflict with the terms of this Master Agreement.

ARTICLE 3: OBLIGATIONS AND DELIVERIES

3.1 Seller's and Buyer's Obligations . With respect to each Transaction, Seller shall sell and deliver, or cause to be delivered, and Buyer shall purchase and receive, or cause to be received, the Quantity of the Product at the Delivery Point, and Buyer shall pay Seller the Contract Price; provided, however, with respect to Options, the obligations set forth in the preceding sentence shall only arise if the Option Buyer exercises its Option in accordance with its terms. Seller shall be responsible for any costs or charges imposed on or associated with the Product or its delivery of the Product up to the Delivery Point. Buyer shall be responsible for any costs or charges imposed on or associated with the Product or its receipt at and from the Delivery Point.

3.2 Transmission and Scheduling . Seller shall arrange and be responsible for transmission service to the Delivery Point and shall Schedule or arrange for Scheduling services with its Transmission Providers, as specified by the Parties in the Transaction, or in the absence thereof, in accordance with the practice of the Transmission Providers, to deliver the Product to the Delivery Point. Buyer shall arrange and be responsible for transmission service at and from the Delivery Point and shall Schedule or arrange for Scheduling services with its Transmission Providers to receive the Product at the Delivery Point.

3.3 Force Majeure . To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under the Transaction and such Party (the "Claiming Party") gives notice and details of the Force Majeure to the other Party as soon as practicable, then, unless the terms of the Product specify otherwise, the Claiming Party shall be excused from the performance of its obligations with respect to such Transaction (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. The non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

ARTICLE 4: REMEDIES FOR FAILURE TO DELIVER/RECEIVE

4.1 Seller Failure . If Seller fails to schedule and/or deliver all or part of the Product pursuant to a Transaction, and such failure is not excused under the terms of the Product or by Buyer's failure to perform, then Seller shall pay Buyer, on the date payment would otherwise be due in respect of the month in which the failure occurred or, if "Accelerated Payment of Damages" is specified on the Cover Sheet, within five (5) Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

4.2 Buyer Failure . If Buyer fails to schedule and/or receive all or part of the Product pursuant to a Transaction and such failure is not excused under the terms of the Product or by Seller's failure to perform, then Buyer shall pay Seller, on the date payment would otherwise be due in respect of the month in which the failure occurred or, if "Accelerated Payment of Damages" is specified on the Cover Sheet, within five (5) Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Sales Price from the Contract Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

ARTICLE 5: EVENTS OF DEFAULT; REMEDIES

5.1 Events of Default . An “Event of Default” shall mean, with respect to a Party (a “Defaulting Party”), the occurrence of any of the following:

- (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;
- (b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;
- (c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party’s obligations to deliver or receive the Product, the exclusive remedy for which is provided in Article Four) if such failure is not remedied within three (3) Business Days after written notice;
- (d) such Party becomes Bankrupt;
- (e) the failure of such Party to satisfy the creditworthiness/collateral requirements agreed to pursuant to Article Eight hereof;
- (f) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party;
- (g) if the applicable cross default section in the Cover Sheet is indicated for such Party, the occurrence and continuation of (i) a default, event of default or other similar condition or event in respect of such Party or any other party specified in the Cover Sheet for such Party under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money in an aggregate amount of not less than the applicable Cross Default Amount (as specified in the Cover Sheet), which results in such indebtedness becoming, or becoming capable at such time of being declared, immediately due and payable or (ii) a default by such Party or any other party specified in the Cover Sheet for such Party in making on the due date therefore one or more payments, individually or collectively, in an aggregate amount of not less than the applicable Cross Default Amount (as specified in the Cover Sheet);
- (h) with respect to such Party’s Guarantor, if any:
 - (i) if any representation or warranty made by a Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;
 - (ii) the failure of a Guarantor to make any payment required or to perform any other material covenant or obligation in any guaranty made in connection

with this Agreement and such failure shall not be remedied within three (3) Business Days after written notice;

- (iii) a Guarantor becomes Bankrupt;
- (iv) the failure of a Guarantor's guaranty to be in full force and effect for purposes of this Agreement (other than in accordance with its terms) prior to the satisfaction of all obligations of such Party under each Transaction to which such guaranty shall relate without the written consent of the other Party; or
- (v) a Guarantor shall repudiate, disaffirm, disclaim, or reject, in whole or in part, or challenge the validity of any guaranty.

5.2 Declaration of an Early Termination Date and Calculation of Settlement Amounts . If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the "Non-Defaulting Party") shall have the right (i) to designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties and to liquidate and terminate all, but not less than all, Transactions (each referred to as a "Terminated Transaction") between the Parties, (ii) withhold any payments due to the Defaulting Party under this Agreement and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for each such Terminated Transaction as of the Early Termination Date (or, to the extent that in the reasonable opinion of the Non-Defaulting Party certain of such Terminated Transactions are commercially impracticable to liquidate and terminate or may not be liquidated and terminated under applicable law on the Early Termination Date, as soon thereafter as is reasonably practicable).

5.3 Net Out of Settlement Amounts . The Non-Defaulting Party shall aggregate all Settlement Amounts into a single amount by: netting out (a) all Settlement Amounts that are due to the Defaulting Party, plus, at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party pursuant to Article Eight, plus any or all other amounts due to the Defaulting Party under this Agreement against (b) all Settlement Amounts that are due to the Non-Defaulting Party, plus any or all other amounts due to the Non-Defaulting Party under this Agreement, so that all such amounts shall be netted out to a single liquidated amount (the "Termination Payment") payable by one Party to the other. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate.

5.4 Notice of Payment of Termination Payment . As soon as practicable after a liquidation, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective.

5.5 Disputes With Respect to Termination Payment . If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party

shall first transfer Performance Assurance to the Non-Defaulting Party in an amount equal to the Termination Payment.

5.6 Closeout Setoffs .

Option A: After calculation of a Termination Payment in accordance with Section 5.3, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set off against such Termination Payment any amounts due and owing by the Defaulting Party to the Non-Defaulting Party under any other agreements, instruments or undertakings between the Defaulting Party and the Non-Defaulting Party and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 5.2, withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

Option B: After calculation of a Termination Payment in accordance with Section 5.3, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set off against such Termination Payment any amounts due and owing by the Defaulting Party or any of its Affiliates to the Non-Defaulting Party or any of its Affiliates under any other agreements, instruments or undertakings between the Defaulting Party or any of its Affiliates and the Non-Defaulting Party or any of its Affiliates and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 5.2, withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

Option C: Neither Option A nor B shall apply.

5.7 Suspension of Performance . Notwithstanding any other provision of this Master Agreement, if (a) an Event of Default or (b) a Potential Event of Default shall have occurred and be continuing, the Non-Defaulting Party, upon written notice to the Defaulting Party, shall have the right (i) to suspend performance under any or all Transactions; provided, however, in no event shall any such suspension continue for longer than ten (10) NERC Business Days with respect to any single Transaction unless an early Termination Date shall have been declared and notice thereof pursuant to Section 5.2 given, and (ii) to the extent an Event of Default shall have occurred and be continuing to exercise any remedy available at law or in equity.

ARTICLE 6: PAYMENT AND NETTING

6.1 Billing Period . Unless otherwise specifically agreed upon by the Parties in a Transaction, the calendar month shall be the standard period for all payments under this Agreement (other than Termination Payments and, if “Accelerated Payment of Damages” is specified by the Parties in the Cover Sheet, payments pursuant to Section 4.1 or 4.2 and Option premium payments pursuant to Section 6.7). As soon as practicable after the end of each month, each Party will render to the other Party an invoice for the payment obligations, if any, incurred hereunder during the preceding month.

6.2 Timeliness of Payment . Unless otherwise agreed by the Parties in a Transaction, all invoices under this Master Agreement shall be due and payable in accordance with each Party’s invoice instructions on or before the later of the twentieth (20th) day of each month, or tenth (10th) day after receipt of the invoice or, if such day is not a Business Day, then on the next Business Day. Each Party will make

payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any amounts not paid by the due date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full.

6.3 Disputes and Adjustments of Invoices . A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the Interest Rate from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived unless the other Party is notified in accordance with this Section 6.3 within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance of a Transaction occurred, the right to payment for such performance is waived.

6.4 Netting of Payments . The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other on the same date pursuant to all Transactions through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Products during the monthly billing period under this Master Agreement, including any related damages calculated pursuant to Article Four (unless one of the Parties elects to accelerate payment of such amounts as permitted by Article Four), interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it.

6.5 Payment Obligation Absent Netting . If no mutual debts or payment obligations exist and only one Party owes a debt or obligation to the other during the monthly billing period, including, but not limited to, any related damage amounts calculated pursuant to Article Four, interest, and payments or credits, that Party shall pay such sum in full when due.

6.6 Security . Unless the Party benefiting from Performance Assurance or a guaranty notifies the other Party in writing, and except in connection with a liquidation and termination in accordance with Article Five, all amounts netted pursuant to this Article Six shall not take into account or include any Performance Assurance or guaranty which may be in effect to secure a Party's performance under this Agreement.

6.7 Payment for Options . The premium amount for the purchase of an Option shall be paid within two (2) Business Days of receipt of an invoice from the Option Seller. Upon exercise of an Option, payment for the Product underlying such Option shall be due in accordance with Section 6.1.

6.8 Transaction Netting . If the Parties enter into one or more Transactions, which in conjunction with one or more other outstanding Transactions, constitute Offsetting Transactions, then all

such Offsetting Transactions may by agreement of the Parties, be netted into a single Transaction under which:

- (a) the Party obligated to deliver the greater amount of Energy will deliver the difference between the total amount it is obligated to deliver and the total amount to be delivered to it under the Offsetting Transactions, and
- (b) the Party owing the greater aggregate payment will pay the net difference owed between the Parties.

Each single Transaction resulting under this Section shall be deemed part of the single, indivisible contractual arrangement between the parties, and once such resulting Transaction occurs, outstanding obligations under the Offsetting Transactions which are satisfied by such offset shall terminate.

ARTICLE 7: LIMITATIONS

7.1 Limitation of Remedies, Liability and Damages . EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES IS WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE IS SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

ARTICLE 8: CREDIT AND COLLATERAL REQUIREMENTS

8.1 Party A Credit Protection . The applicable credit and collateral requirements shall be as specified on the Cover Sheet. If no option in Section 8.1(a) is specified on the Cover Sheet, Section 8.1 (a) Option C shall apply exclusively. If none of Sections 8.1(b), 8.1(c) or 8.1(d) is specified on the Cover Sheet, Section 8.1(b) shall apply exclusively.

(a) Financial Information. Option A: If requested by Party A, Party B shall deliver (i) within 120 days following the end of each fiscal year, a copy of Party B's annual report containing audited consolidated financial statements for such fiscal year and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of Party B's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as Party B diligently pursues the preparation, certification and delivery of the statements.

Option B: If requested by Party A, Party B shall deliver (i) within 120 days following the end of each fiscal year, a copy of the annual report containing audited consolidated financial statements for such fiscal year for the party(s) specified on the Cover Sheet and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of quarterly report containing unaudited consolidated financial statements for such fiscal quarter for the party(s) specified on the Cover Sheet. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements.

Option C: Party A may request from Party B the information specified in the Cover Sheet.

(b) Credit Assurances. If Party A has reasonable grounds to believe that Party B's creditworthiness or performance under this Agreement has become unsatisfactory, Party A will provide Party B with written notice requesting Performance Assurance in an amount determined by Party A in a commercially reasonable manner. Upon receipt of such notice Party B shall have three (3) Business Days to remedy the situation by providing such Performance Assurance to Party A. In the event that Party B fails to provide such Performance Assurance, or a guaranty or other credit assurance acceptable to Party A within three (3) Business Days of receipt of notice, then an Event of Default under Article Five will be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

(c) Collateral Threshold. If at any time and from time to time during the term of this Agreement (and notwithstanding whether an Event of Default has occurred), the Termination Payment that would be owed to Party A plus Party B's Independent Amount, if any, exceeds the Party B Collateral Threshold, then Party A, on any Business Day, may request that Party B provide Performance Assurance in an amount equal to the amount by which the Termination Payment plus Party B's Independent Amount, if any, exceeds the Party B Collateral Threshold (rounding upwards for any fractional amount to the next Party B Rounding Amount) ("Party B Performance Assurance"), less any Party B Performance Assurance already posted with Party A. Such Party B Performance Assurance shall be delivered to Party A within three (3) Business Days of the date of such request. On any Business Day (but no more frequently than weekly with respect to Letters of Credit and daily with respect to cash), Party B, at its sole cost, may request that such Party B Performance Assurance be reduced correspondingly to the amount of such excess Termination Payment plus Party B's Independent Amount, if any, (rounding upwards for any fractional amount to the next Party B Rounding Amount). In the event that Party B fails to provide Party B Performance Assurance pursuant to the terms of this Article Eight within three (3) Business Days, then an Event of Default under Article Five shall be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

For purposes of this Section 8.1(c), the calculation of the Termination Payment shall be calculated pursuant to Section 5.3 by Party A as if all outstanding Transactions had been liquidated, and in addition thereto, shall include all amounts owed but not yet paid by Party B to Party A, whether or not such amounts are due, for performance already provided pursuant to any and all Transactions.

(d) Downgrade Event. If at any time there shall occur a Downgrade Event in respect of Party B, then Party A may require Party B to provide Performance Assurance in an amount determined by Party A in a commercially reasonable manner. In the event Party B shall fail to provide such Performance Assurance or a guaranty or other credit assurance acceptable to Party A within three (3) Business Days of receipt of notice, then an Event of Default shall be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

(e) If specified on the Cover Sheet, Party B shall deliver to Party A, prior to or concurrently with the execution and delivery of this Master Agreement a guarantee in an amount not less than the Guarantee Amount specified on the Cover Sheet and in a form reasonably acceptable to Party A.

8.2 Party B Credit Protection. The applicable credit and collateral requirements shall be as specified on the Cover Sheet. If no option in Section 8.2(a) is specified on the Cover Sheet, Section 8.2(a) Option C shall apply exclusively. If none of Sections 8.2(b), 8.2(c) or 8.2(d) are specified on the Cover Sheet, Section 8.2(b) shall apply exclusively.

(a) Financial Information. Option A: If requested by Party B, Party A shall deliver (i) within 120 days following the end of each fiscal year, a copy of Party A's annual report containing audited consolidated financial statements for such fiscal year and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of such Party's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as such Party diligently pursues the preparation, certification and delivery of the statements.

Option B: If requested by Party B, Party A shall deliver (i) within 120 days following the end of each fiscal year, a copy of the annual report containing audited consolidated financial statements for such fiscal year for the party(s) specified on the Cover Sheet and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of quarterly report containing unaudited consolidated financial statements for such fiscal quarter for the party(s) specified on the Cover Sheet. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements.

Option C: Party B may request from Party A the information specified in the Cover Sheet.

(b) Credit Assurances. If Party B has reasonable grounds to believe that Party A's creditworthiness or performance under this Agreement has become unsatisfactory, Party B will provide Party A with written notice requesting Performance Assurance in an amount determined by Party B in a commercially reasonable manner. Upon receipt of such notice Party A shall have three (3) Business Days to remedy the situation by providing such Performance Assurance to Party B. In the event that Party A fails to provide such Performance Assurance, or a guaranty or other credit assurance acceptable to Party B within

three (3) Business Days of receipt of notice, then an Event of Default under Article Five will be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

(c) Collateral Threshold. If at any time and from time to time during the term of this Agreement (and notwithstanding whether an Event of Default has occurred), the Termination Payment that would be owed to Party B plus Party A's Independent Amount, if any, exceeds the Party A Collateral Threshold, then Party B, on any Business Day, may request that Party A provide Performance Assurance in an amount equal to the amount by which the Termination Payment plus Party A's Independent Amount, if any, exceeds the Party A Collateral Threshold (rounding upwards for any fractional amount to the next Party A Rounding Amount) ("Party A Performance Assurance"), less any Party A Performance Assurance already posted with Party B. Such Party A Performance Assurance shall be delivered to Party B within three (3) Business Days of the date of such request. On any Business Day (but no more frequently than weekly with respect to Letters of Credit and daily with respect to cash), Party A, at its sole cost, may request that such Party A Performance Assurance be reduced correspondingly to the amount of such excess Termination Payment plus Party A's Independent Amount, if any, (rounding upwards for any fractional amount to the next Party A Rounding Amount). In the event that Party A fails to provide Party A Performance Assurance pursuant to the terms of this Article Eight within three (3) Business Days, then an Event of Default under Article Five shall be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

For purposes of this Section 8.2(c), the calculation of the Termination Payment shall be calculated pursuant to Section 5.3 by Party B as if all outstanding Transactions had been liquidated, and in addition thereto, shall include all amounts owed but not yet paid by Party A to Party B, whether or not such amounts are due, for performance already provided pursuant to any and all Transactions.

(d) Downgrade Event. If at any time there shall occur a Downgrade Event in respect of Party A, then Party B may require Party A to provide Performance Assurance in an amount determined by Party B in a commercially reasonable manner. In the event Party A shall fail to provide such Performance Assurance or a guaranty or other credit assurance acceptable to Party B within three (3) Business Days of receipt of notice, then an Event of Default shall be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

(e) If specified on the Cover Sheet, Party A shall deliver to Party B, prior to or concurrently with the execution and delivery of this Master Agreement a guarantee in an amount not less than the Guarantee Amount specified on the Cover Sheet and in a form reasonably acceptable to Party B.

8.3 Grant of Security Interest/Remedies . To secure its obligations under this Agreement and to the extent either or both Parties deliver Performance Assurance hereunder, each Party (a "Pledgor") hereby grants to the other Party (the "Secured Party") a present and continuing security interest in, and lien on (and right of setoff against), and assignment of, all cash collateral and cash equivalent collateral and any and all proceeds resulting there from or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, such Secured Party, and each Party agrees to take such action as the other Party reasonably requires in order to perfect the Secured Party's first-priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting there from or from the liquidation thereof. Upon or any time after the occurrence or deemed occurrence and during the continuation of an Event of Default or an Early Termination Date, the Non-Defaulting Party may do any one or more of the following: (i) exercise any of the rights and remedies of a Secured Party with respect to all Performance Assurance, including any such rights and remedies under law then in effect; (ii) exercise its rights of setoff against any and all property of the Defaulting Party in the possession of the Non-Defaulting Party or its

agent; (iii) draw on any outstanding Letter of Credit issued for its benefit; and (iv) liquidate all Performance Assurance then held by or for the benefit of the Secured Party free from any claim or right of any nature whatsoever of the Defaulting Party, including any equity or right of purchase or redemption by the Defaulting Party. The Secured Party shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce the Pledgor's obligations under the Agreement (the Pledgor remaining liable for any amounts owing to the Secured Party after such application), subject to the Secured Party's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

ARTICLE 9: GOVERNMENTAL CHARGES

9.1 Cooperation . Each Party shall use reasonable efforts to implement the provisions of and to administer this Master Agreement in accordance with the intent of the parties to minimize all taxes, so long as neither Party is materially adversely affected by such efforts.

9.2 Governmental Charges . Seller shall pay or cause to be paid all taxes imposed by any government authority ("Governmental Charges") on or with respect to the Product or a Transaction arising prior to the Delivery Point. Buyer shall pay or cause to be paid all Governmental Charges on or with respect to the Product or a Transaction at and from the Delivery Point (other than ad valorem, franchise or income taxes which are related to the sale of the Product and are, therefore, the responsibility of the Seller). In the event Seller is required by law or regulation to remit or pay Governmental Charges which are Buyer's responsibility hereunder, Buyer shall promptly reimburse Seller for such Governmental Charges. If Buyer is required by law or regulation to remit or pay Governmental Charges which are Seller's responsibility hereunder, Buyer may deduct the amount of any such Governmental Charges from the sums due to Seller under Article 6 of this Agreement. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under the law.

ARTICLE 10: MISCELLANEOUS

10.1 Term of Master Agreement . The term of this Master Agreement shall commence on the Effective Date and shall remain in effect until terminated by either Party upon (thirty) 30 days' prior written notice; provided, however, that such termination shall not affect or excuse the performance of either Party under any provision of this Master Agreement that by its terms survives any such termination and, provided further, that this Master Agreement and any other documents executed and delivered hereunder shall remain in effect with respect to the Transaction(s) entered into prior to the effective date of such termination until both Parties have fulfilled all of their obligations with respect to such Transaction(s), or such Transaction(s) that have been terminated under Section 5.2 of this Agreement.

10.2 Representations and Warranties . On the Effective Date and the date of entering into each Transaction, each Party represents and warrants to the other Party that:

- (i) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- (ii) it has all regulatory authorizations necessary for it to legally perform its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (iii) the execution, delivery and performance of this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) are within its powers, have been duly authorized by all necessary action and do not

violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

- (iv) this Master Agreement, each Transaction (including any Confirmation accepted in accordance with Section 2.3), and each other document executed and delivered in accordance with this Master Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms; subject to any Equitable Defenses.
- (v) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;
- (vi) there is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (vii) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (viii) it is acting for its own account, has made its own independent decision to enter into this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) and as to whether this Master Agreement and each such Transaction (including any Confirmation accepted in accordance with Section 2.3) is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (ix) it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code;
- (x) it has entered into this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all Products referred to in the Transaction to which it is a Party;
- (xi) with respect to each Transaction (including any Confirmation accepted in accordance with Section 2.3) involving the purchase or sale of a Product or an Option, it is a producer, processor, commercial user or merchant handling the Product, and it is entering into such Transaction for purposes related to its business as such; and
- (xii) the material economic terms of each Transaction are subject to individual negotiation by the Parties.

10.3 Title and Risk of Loss. Title to and risk of loss related to the Product shall transfer from Seller to Buyer at the Delivery Point. Seller warrants that it will deliver to Buyer the Quantity of the Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Delivery Point.

10.4 Indemnity. Each Party shall indemnify, defend and hold harmless the other Party from and against any Claims arising from or out of any event, circumstance, act or incident first occurring or existing during the period when control and title to Product is vested in such Party as provided in Section 10.3. Each Party shall indemnify, defend and hold harmless the other Party against any Governmental Charges for which such Party is responsible under Article Nine.

10.5 Assignment. Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, (ii) transfer or assign this Agreement to an affiliate of such Party which affiliate's creditworthiness is equal to or higher than that of such Party, or (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets whose creditworthiness is equal to or higher than that of such Party; provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.

10.6 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

10.7 Notices. All notices, requests, statements or payments shall be made as specified in the Cover Sheet. Notices (other than scheduling requests) shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service or facsimile. Notice by facsimile or hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day. Notice by overnight United States mail or courier shall be effective on the next Business Day after it was sent. A Party may change its addresses by providing notice of same in accordance herewith.

10.8 General. This Master Agreement (including the exhibits, schedules and any written supplements hereto), the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any Confirmation accepted in accordance with Section 2.3) constitute the entire agreement between the Parties relating to the subject matter. Notwithstanding the foregoing, any collateral, credit support or margin agreement or similar arrangement between the Parties shall, upon designation by the Parties, be deemed part of this Agreement and shall be incorporated herein by reference. This Agreement shall be considered for all purposes as prepared through the joint efforts of the parties and shall not be construed against one party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Except to the extent herein provided for, no amendment or

modification to this Master Agreement shall be enforceable unless reduced to writing and executed by both Parties. Each Party agrees if it seeks to amend any applicable wholesale power sales tariff during the term of this Agreement, such amendment will not in any way affect outstanding Transactions under this Agreement without the prior written consent of the other Party. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. Any provision declared or rendered unlawful by any applicable court of law or regulatory agency or deemed unlawful because of a statutory change (individually or collectively, such events referred to as “Regulatory Event”) will not otherwise affect the remaining lawful obligations that arise under this Agreement; and provided, further, that if a Regulatory Event occurs, the Parties shall use their best efforts to reform this Agreement in order to give effect to the original intention of the Parties. The term “including” when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only. All indemnity and audit rights shall survive the termination of this Agreement for twelve (12) months. This Agreement shall be binding on each Party’s successors and permitted assigns.

10.9 Audit . Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Master Agreement. If requested, a Party shall provide to the other Party statements evidencing the Quantity delivered at the Delivery Point. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; provided, however, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of twelve (12) months from the rendition thereof, and thereafter any objection shall be deemed waived.

10.10 Forward Contract . The Parties acknowledge and agree that all Transactions constitute “forward contracts” within the meaning of the United States Bankruptcy Code.

10.11 Confidentiality . If the Parties have elected on the Cover Sheet to make this Section 10.11 applicable to this Master Agreement, neither Party shall disclose the terms or conditions of a Transaction under this Master Agreement to a third party (other than the Party’s employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential) except in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding; provided, however, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

SCHEDULE M

(THIS SCHEDULE IS INCLUDED IF THE APPROPRIATE BOX ON THE COVER SHEET IS MARKED INDICATING A PARTY IS A GOVERNMENTAL ENTITY OR PUBLIC POWER SYSTEM)

- A. The Parties agree to add the following definitions in Article One.

“Act” means _____.¹

“Governmental Entity or Public Power System” means a municipality, county, governmental board, public power authority, public utility district, joint action agency, or other similar political subdivision or public entity of the United States, one or more States or territories or any combination thereof.

“Special Fund” means a fund or account of the Governmental Entity or Public Power System set aside and or pledged to satisfy the Public Power System’s obligations hereunder out of which amounts shall be paid to satisfy all of the Public Power System’s obligations under this Master Agreement for the entire Delivery Period.

- B. The following sentence shall be added to the end of the definition of “Force Majeure” in Article One.

If the Claiming Party is a Governmental Entity or Public Power System, Force Majeure does not include any action taken by the Governmental Entity or Public Power System in its governmental capacity.

- C. The Parties agree to add the following representations and warranties to Section 10.2:

Further and with respect to a Party that is a Governmental Entity or Public Power System, such Governmental Entity or Public Power System represents and warrants to the other Party continuing throughout the term of this Master Agreement, with respect to this Master Agreement and each Transaction, as follows: (i) all acts necessary to the valid execution, delivery and performance of this Master Agreement, including without limitation, competitive bidding, public notice, election, referendum, prior appropriation or other required procedures has or will be taken and performed as required under the Act and the Public Power System’s ordinances, bylaws or other regulations, (ii) all persons making up the governing body of Governmental Entity or Public Power System are the duly elected or appointed incumbents in their positions and hold such positions in good standing in accordance with the Act and other applicable law, (iii) entry into and performance of this Master Agreement by Governmental Entity or Public Power System are for a proper public purpose within the meaning of the Act and all other relevant constitutional, organic or other governing documents and applicable law, (iv) the term of this Master Agreement does not extend beyond any applicable limitation

¹ Cite the state enabling and other relevant statutes applicable to Governmental Entity or Public Power System.

imposed by the Act or other relevant constitutional, organic or other governing documents and applicable law, (v) the Public Power System's obligations to make payments hereunder are unsubordinated obligations and such payments are (a) operating and maintenance costs (or similar designation) which enjoy first priority of payment at all times under any and all bond ordinances or indentures to which it is a party, the Act and all other relevant constitutional, organic or other governing documents and applicable law or (b) otherwise not subject to any prior claim under any and all bond ordinances or indentures to which it is a party, the Act and all other relevant constitutional, organic or other governing documents and applicable law and are available without limitation or deduction to satisfy all Governmental Entity or Public Power System' obligations hereunder and under each Transaction or (c) are to be made solely from a Special Fund, (vi) entry into and performance of this Master Agreement and each Transaction by the Governmental Entity or Public Power System will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any obligation of Governmental Entity or Public Power System otherwise entitled to such exclusion, and (vii) obligations to make payments hereunder do not constitute any kind of indebtedness of Governmental Entity or Public Power System or create any kind of lien on, or security interest in, any property or revenues of Governmental Entity or Public Power System which, in either case, is proscribed by any provision of the Act or any other relevant constitutional, organic or other governing documents and applicable law, any order or judgment of any court or other agency of government applicable to it or its assets, or any contractual restriction binding on or affecting it or any of its assets.

D. The Parties agree to add the following sections to Article Three:

Section 3.4 Public Power System's Deliveries. On the Effective Date and as a condition to the obligations of the other Party under this Agreement, Governmental Entity or Public Power System shall provide the other Party hereto (i) certified copies of all ordinances, resolutions, public notices and other documents evidencing the necessary authorizations with respect to the execution, delivery and performance by Governmental Entity or Public Power System of this Master Agreement and (ii) an opinion of counsel for Governmental Entity or Public Power System, in form and substance reasonably satisfactory to the Other Party, regarding the validity, binding effect and enforceability of this Master Agreement against Governmental Entity or Public Power System in respect of the Act and all other relevant constitutional organic or other governing documents and applicable law.

Section 3.5 No Immunity Claim. Governmental Entity or Public Power System warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (a) suit, (b) jurisdiction of court (including a court located outside the jurisdiction of its organization), (c) relief by way of injunction, order for specific performance or recovery of property, (d) attachment of assets, or (e) execution or enforcement of any judgment.

E. If the appropriate box is checked on the Cover Sheet, as an alternative to selecting one of the options under Section 8.3, the Parties agree to add the following section to Article Three:

Section 3.6 Governmental Entity or Public Power System Security. With respect to each Transaction, Governmental Entity or Public Power System shall either (i) have created and set aside a Special Fund or (ii) upon execution of this Master Agreement and prior to the commencement of each subsequent fiscal year of Governmental Entity or Public Power System during any Delivery Period, have obtained all necessary budgetary approvals and certifications for payment of all of its obligations under this Master Agreement for such fiscal year; any breach of this provision shall be deemed to have arisen during a fiscal period of Governmental Entity or Public Power System for which budgetary approval or certification of its obligations under this Master Agreement is in effect and, notwithstanding anything to the contrary in Article Four, an Early Termination Date shall automatically and without further notice occur hereunder as of such date wherein Governmental Entity or Public Power System shall be treated as the Defaulting Party. Governmental Entity or Public Power System shall have allocated to the Special Fund or its general funds a revenue base that is adequate to cover Public Power System's payment obligations hereunder throughout the entire Delivery Period.

F. If the appropriate box is checked on the Cover Sheet, the Parties agree to add the following section to Article Eight:

Section 8.4 Governmental Security. As security for payment and performance of Public Power System's obligations hereunder, Public Power System hereby pledges, sets over, assigns and grants to the other Party a security interest in all of Public Power System's right, title and interest in and to [specify collateral].

G. The Parties agree to add the following sentence at the end of Section 10.6 - Governing Law:

NOTWITHSTANDING THE FOREGOING, IN RESPECT OF THE APPLICABILITY OF THE ACT AS HEREIN PROVIDED, THE LAWS OF THE STATE OF _____² SHALL APPLY.

² Insert relevant state for Governmental Entity or Public Power System.

SCHEDULE P: PRODUCTS AND RELATED DEFINITIONS

“Ancillary Services” means any of the services identified by a Transmission Provider in its transmission tariff as “ancillary services” including, but not limited to, regulation and frequency response, energy imbalance, operating reserve-spinning and operating reserve-supplemental, as may be specified in the Transaction.

“Capacity” has the meaning specified in the Transaction.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours.

“Firm (LD)” means, with respect to a Transaction, that either Party shall be relieved of its obligations to sell and deliver or purchase and receive without liability only to the extent that, and for the period during which, such performance is prevented by Force Majeure. In the absence of Force Majeure, the Party to which performance is owed shall be entitled to receive from the Party which failed to deliver/receive an amount determined pursuant to Article Four.

“Firm Transmission Contingent - Contract Path” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission for such Transaction is interrupted or curtailed and (i) such Party has provided for firm transmission with the transmission provider(s) for the Product in the case of the Seller from the generation source to the Delivery Point or in the case of the Buyer from the Delivery Point to the ultimate sink, and (ii) such interruption or curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the applicable transmission provider’s tariff. This contingency shall excuse performance for the duration of the interruption or curtailment notwithstanding the provisions of the definition of “Force Majeure” in Section 1.23 to the contrary.

“Firm Transmission Contingent - Delivery Point” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission to the Delivery Point (in the case of Seller) or from the Delivery Point (in the case of Buyer) for such Transaction is interrupted or curtailed and (i) such Party has provided for firm transmission with the transmission provider(s) for the Product, in the case of the Seller, to be delivered to the Delivery Point or, in the case of Buyer, to be received at the Delivery Point and (ii) such interruption or curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the applicable transmission provider’s tariff. This transmission contingency excuses performance for the duration of the interruption or curtailment, notwithstanding the provisions of the definition of “Force Majeure” in Section 1.23 to the contrary. Interruptions or curtailments of transmission other than the transmission either immediately to or from the Delivery Point shall not excuse performance

“Firm (No Force Majeure)” means, with respect to a Transaction, that if either Party fails to perform its obligation to sell and deliver or purchase and receive the Product, the Party to which performance is owed shall be entitled to receive from the Party which failed to perform an amount determined pursuant to Article Four. Force Majeure shall not excuse performance of a Firm (No Force Majeure) Transaction.

“Into _____ (the “Receiving Transmission Provider”), Seller’s Daily Choice” means that, in accordance with the provisions set forth below, (1) the Product shall be scheduled and delivered to

an interconnection or interface (“Interface”) either (a) on the Receiving Transmission Provider’s transmission system border or (b) within the control area of the Receiving Transmission Provider if the Product is from a source of generation in that control area, which Interface, in either case, the Receiving Transmission Provider identifies as available for delivery of the Product in or into its control area; and (2) Seller has the right on a daily prescheduled basis to designate the Interface where the Product shall be delivered. An “Into” Product shall be subject to the following provisions:

1. Prescheduling and Notification. Subject to the provisions of Section 6, not later than the prescheduling deadline of 11:00 a.m. CPT on the Business Day before the next delivery day or as otherwise agreed to by Buyer and Seller, Seller shall notify Buyer (“Seller’s Notification”) of Seller’s immediate upstream Party B and the Interface (the “Designated Interface”) where Seller shall deliver the Product for the next delivery day, and Buyer shall notify Seller of Buyer’s immediate downstream Party B.

2. Availability of “Firm Transmission” to Buyer at Designated Interface; “Timely Request for Transmission,” “ADI” and “Available Transmission.” In determining availability to Buyer of next-day firm transmission (“Firm Transmission”) from the Designated Interface, a “Timely Request for Transmission” shall mean a properly completed request for Firm Transmission made by Buyer in accordance with the controlling tariff procedures, which request shall be submitted to the Receiving Transmission Provider no later than 30 minutes after delivery of Seller’s Notification, provided, however, if the Receiving Transmission Provider is not accepting requests for Firm Transmission at the time of Seller’s Notification, then such request by Buyer shall be made within 30 minutes of the time when the Receiving Transmission Provider first opens thereafter for purposes of accepting requests for Firm Transmission.

Pursuant to the terms hereof, delivery of the Product may under certain circumstances be redesignated to occur at an Interface other than the Designated Interface (any such alternate designated interface, an “ADI”) either (a) on the Receiving Transmission Provider’s transmission system border or (b) within the control area of the Receiving Transmission Provider if the Product is from a source of generation in that control area, which ADI, in either case, the Receiving Transmission Provider identifies as available for delivery of the Product in or into its control area using either firm or non-firm transmission, as available on a day-ahead or hourly basis (individually or collectively referred to as “Available Transmission”) within the Receiving Transmission Provider’s transmission system.

3. Rights of Buyer and Seller Depending Upon Availability of/Timely Request for Firm Transmission.

A. Timely Request for Firm Transmission made by Buyer, Accepted by the Receiving Transmission Provider and Purchased by Buyer. If a Timely Request for Firm Transmission is made by Buyer and is accepted by the Receiving Transmission Provider and Buyer purchases such Firm Transmission, then Seller shall deliver and Buyer shall receive the Product at the Designated Interface.

i. If the Firm Transmission purchased by Buyer within the Receiving Transmission Provider’s transmission system from the Designated Interface ceases to be available to Buyer for any reason, or if Seller is unable to deliver the Product at the Designated Interface for any reason except Buyer’s non-performance, then at Seller’s choice from among the following, Seller shall: (a) to the extent Firm Transmission is available to Buyer from an ADI on a day-ahead basis, require Buyer to purchase such Firm Transmission from such ADI, and schedule and deliver the affected portion of the Product

to such ADI on the basis of Buyer's purchase of Firm Transmission, or (b) require Buyer to purchase non-firm transmission, and schedule and deliver the affected portion of the Product on the basis of Buyer's purchase of non-firm transmission from the Designated Interface or an ADI designated by Seller, or (c) to the extent firm transmission is available on an hourly basis, require Buyer to purchase firm transmission, and schedule and deliver the affected portion of the Product on the basis of Buyer's purchase of such hourly firm transmission from the Designated Interface or an ADI designated by Seller.

ii. If the Available Transmission utilized by Buyer as required by Seller pursuant to Section 3A(i) ceases to be available to Buyer for any reason, then Seller shall again have those alternatives stated in Section 3A(i) in order to satisfy its obligations.

iii. Seller's obligation to schedule and deliver the Product at an ADI is subject to Buyer's obligation referenced in Section 4B to cooperate reasonably therewith. If Buyer and Seller cannot complete the scheduling and/or delivery at an ADI, then Buyer shall be deemed to have satisfied its receipt obligations to Seller and Seller shall be deemed to have failed its delivery obligations to Buyer, and Seller shall be liable to Buyer for amounts determined pursuant to Article Four.

iv. In each instance in which Buyer and Seller must make alternative scheduling arrangements for delivery at the Designated Interface or an ADI pursuant to Sections 3A(i) or (ii), and Firm Transmission had been purchased by both Seller and Buyer into and within the Receiving Transmission Provider's transmission system as to the scheduled delivery which could not be completed as a result of the interruption or curtailment of such Firm Transmission, Buyer and Seller shall bear their respective transmission expenses and/or associated congestion charges incurred in connection with efforts to complete delivery by such alternative scheduling and delivery arrangements. In any instance except as set forth in the immediately preceding sentence, Buyer and Seller must make alternative scheduling arrangements for delivery at the Designated Interface or an ADI under Sections 3A(i) or (ii), Seller shall be responsible for any additional transmission purchases and/or associated congestion charges incurred by Buyer in connection with such alternative scheduling arrangements.

B. Timely Request for Firm Transmission Made by Buyer but Rejected by the Receiving Transmission Provider. If Buyer's Timely Request for Firm Transmission is rejected by the Receiving Transmission Provider because of unavailability of Firm Transmission from the Designated Interface, then Buyer shall notify Seller within 15 minutes after receipt of the Receiving Transmission Provider's notice of rejection ("Buyer's Rejection Notice"). If Buyer timely notifies Seller of such unavailability of Firm Transmission from the Designated Interface, then Seller shall be obligated either (1) to the extent Firm Transmission is available to Buyer from an ADI on a day-ahead basis, to require Buyer to purchase (at Buyer's own expense) such Firm Transmission from such ADI and schedule and deliver the Product to such ADI on the basis of Buyer's purchase of Firm Transmission, and thereafter the provisions in Section 3A shall apply, or (2) to require Buyer to purchase (at Buyer's own expense) non-firm transmission, and schedule and deliver the Product on the basis of Buyer's purchase of non-firm transmission from the Designated Interface or an ADI designated by the Seller, in which case Seller shall bear the risk of interruption or curtailment of the non-firm transmission; provided, however, that if the non-firm transmission is interrupted or curtailed or if Seller is unable to deliver the Product for any reason, Seller shall have the right to schedule and deliver the Product to another ADI in order to satisfy its delivery obligations, in which

case Seller shall be responsible for any additional transmission purchases and/or associated congestion charges incurred by Buyer in connection with Seller's inability to deliver the Product as originally prescheduled. If Buyer fails to timely notify Seller of the unavailability of Firm Transmission, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface, and the provisions of Section 3D shall apply.

C. Timely Request for Firm Transmission Made by Buyer, Accepted by the Receiving Transmission Provider and not purchased by Buyer. If Buyer's Timely Request for Firm Transmission is accepted by the Receiving Transmission Provider but Buyer elects to purchase non-firm transmission rather than Firm Transmission to take delivery of the Product, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface. In such circumstances, if Seller's delivery is interrupted as a result of transmission relied upon by Buyer from the Designated Interface, then Seller shall be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for amounts determined pursuant to Article Four.

D. No Timely Request for Firm Transmission Made by Buyer, or Buyer Fails to Timely Send Buyer's Rejection Notice. If Buyer fails to make a Timely Request for Firm Transmission or Buyer fails to timely deliver Buyer's Rejection Notice, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface. In such circumstances, if Seller's delivery is interrupted as a result of transmission relied upon by Buyer from the Designated Interface, then Seller shall be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for amounts determined pursuant to Article Four.

4. Transmission.

A. Seller's Responsibilities. Seller shall be responsible for transmission required to deliver the Product to the Designated Interface or ADI, as the case may be. It is expressly agreed that Seller is not required to utilize Firm Transmission for its delivery obligations hereunder, and Seller shall bear the risk of utilizing non-firm transmission. If Seller's scheduled delivery to Buyer is interrupted as a result of Buyer's attempted transmission of the Product beyond the Receiving Transmission Provider's system border, then Seller will be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for damages pursuant to Article Four.

B. Buyer's Responsibilities. Buyer shall be responsible for transmission required to receive and transmit the Product at and from the Designated Interface or ADI, as the case may be, and except as specifically provided in Section 3A and 3B, shall be responsible for any costs associated with transmission there from. If Seller is attempting to complete the designation of an ADI as a result of Seller's rights and obligations hereunder, Buyer shall co-operate reasonably with Seller in order to effect such alternate designation.

5. Force Majeure. An "Into" Product shall be subject to the "Force Majeure" provisions in Section 1.23.

6. Multiple Parties in Delivery Chain Involving a Designated Interface. Seller and Buyer recognize that there may be multiple parties involved in the delivery and receipt of the Product at the Designated Interface or ADI to the extent that (1) Seller may be purchasing the Product from a succession

of other sellers (“Other Sellers”), the first of which Other Sellers shall be causing the Product to be generated from a source (“Source Seller”) and/or (2) Buyer may be selling the Product to a succession of other buyers (“Other Buyers”), the last of which Other Buyers shall be using the Product to serve its energy needs (“Sink Buyer”). Seller and Buyer further recognize that in certain Transactions neither Seller nor Buyer may originate the decision as to either (a) the original identification of the Designated Interface or ADI (which designation may be made by the Source Seller) or (b) the Timely Request for Firm Transmission or the purchase of other Available Transmission (which request may be made by the Sink Buyer). Accordingly, Seller and Buyer agree as follows:

A. If Seller is not the Source Seller, then Seller shall notify Buyer of the Designated Interface promptly after Seller is notified thereof by the Other Seller with whom Seller has a contractual relationship, but in no event may such designation of the Designated Interface be later than the prescheduling deadline pertaining to the Transaction between Buyer and Seller pursuant to Section 1.

B. If Buyer is not the Sink Buyer, then Buyer shall notify the Other Buyer with whom Buyer has a contractual relationship of the Designated Interface promptly after Seller notifies Buyer thereof, with the intent being that the party bearing actual responsibility to secure transmission shall have up to 30 minutes after receipt of the Designated Interface to submit its Timely Request for Firm Transmission.

C. Seller and Buyer each agree that any other communications or actions required to be given or made in connection with this “Into Product” (including without limitation, information relating to an ADI) shall be made or taken promptly after receipt of the relevant information from the Other Sellers and Other Buyers, as the case may be.

D. Seller and Buyer each agree that in certain Transactions time is of the essence and it may be desirable to provide necessary information to Other Sellers and Other Buyers in order to complete the scheduling and delivery of the Product. Accordingly, Seller and Buyer agree that each has the right, but not the obligation, to provide information at its own risk to Other Sellers and Other Buyers, as the case may be, in order to affect the prescheduling, scheduling and delivery of the Product

“Native Load” means the demand imposed on an electric utility or an entity by the requirements of retail customers located within a franchised service territory that the electric utility or entity has statutory obligation to serve.

“Non-Firm” means, with respect to a Transaction, that delivery or receipt of the Product may be interrupted for any reason or for no reason, without liability on the part of either Party.

“System Firm” means that the Product will be supplied from the owned or controlled generation or pre-existing purchased power assets of the system specified in the Transaction (the “System”) with non-firm transmission to and from the Delivery Point, unless a different Transmission Contingency is specified in a Transaction. Seller’s failure to deliver shall be excused: (i) by an event or circumstance which prevents Seller from performing its obligations, which event or circumstance was not anticipated as of the date the Transaction was agreed to, which is not within the reasonable control of, or the result of the negligence of, the Seller; (ii) by Buyer’s failure to perform; (iii) to the extent necessary to preserve the integrity of, or prevent or limit any instability on, the System; (iv) to the extent the System or the control area or reliability council within which the System operates declares an emergency condition, as determined in the system’s,

or the control areas, or reliability council's reasonable judgment; or (v) by the interruption or curtailment of transmission to the Delivery Point or by the occurrence of any Transmission Contingency specified in a Transaction as excusing Seller's performance. Buyer's failure to receive shall be excused (i) by Force Majeure; (ii) by Seller's failure to perform, or (iii) by the interruption or curtailment of transmission from the Delivery Point or by the occurrence of any Transmission Contingency specified in a Transaction as excusing Buyer's performance. In any of such events, neither party shall be liable to the other for any damages, including any amounts determined pursuant to Article Four.

"Transmission Contingent" means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission for such Transaction is unavailable or interrupted or curtailed for any reason, at anytime, anywhere from the Seller's proposed generating source to the Buyer's proposed ultimate sink, regardless of whether transmission, if any, that such Party is attempting to secure and/or has purchased for the Product is firm or non-firm. If the transmission (whether firm or non-firm) that Seller or Buyer is attempting to secure is from source to sink is unavailable, this contingency excuses performance for the entire Transaction. If the transmission (whether firm or non-firm) that Seller or Buyer has secured from source to sink is interrupted or curtailed for any reason, this contingency excuses performance for the duration of the interruption or curtailment notwithstanding the provisions of the definition of "Force Majeure" in Article 1.23 to the contrary.

"Unit Firm" means, with respect to a Transaction, that the Product subject to the Transaction is intended to be supplied from a generation asset or assets specified in the Transaction. Seller's failure to deliver under a "Unit Firm" Transaction shall be excused: (i) if the specified generation asset(s) are unavailable as a result of a Forced Outage (as defined in the NERC Generating Unit Availability Data System (GADS) Forced Outage reporting guidelines) or (ii) by an event or circumstance that affects the specified generation asset(s) so as to prevent Seller from performing its obligations, which event or circumstance was not anticipated as of the date the Transaction was agreed to, and which is not within the reasonable control of, or the result of the negligence of, the Seller or (iii) by Buyer's failure to perform. In any of such events, Seller shall not be liable to Buyer for any damages, including any amounts determined pursuant to Article Four.

MASTER POWER PURCHASE AND SALE AGREEMENT CONFIRMATION LETTER

This confirmation letter shall confirm the Transaction agreed to on _____, ____ between _____ (“Party A”) and _____ Public Utility District No. 1 of Benton County (“Party B”) regarding the sale/purchase of the Product under the terms and conditions as follows:

Seller: _____

Buyer: _____

Product:

- ☐ Into _____, Seller’s Daily Choice
- ☐ Firm (LD)
- ☐ Firm (No Force Majeure)
- ☐ System Firm
(Specify System: _____)
- ☐ Unit Firm
(Specify Unit(s): _____)
- ☐ Other _____
- ☐ Transmission Contingency (If not marked, no transmission contingency)
- | | | |
|---|---------------------------------|--------------------------------|
| ☐ FT-Contract Path Contingency | ☐ Seller | ☐ Buyer |
| ☐ FT-Delivery Point Contingency | ☐ Seller | ☐ Buyer |
| ☐ Transmission Contingent | ☐ Seller | ☐ Buyer |
| ☐ Other transmission contingency
(Specify: _____) | | |

Contract Quantity: _____

Delivery Point: _____

Contract Price: _____

Energy Price: _____

Other Charges: _____

Delivery Period: _____

Special Conditions: _____

Scheduling: _____

Option Buyer: _____

Option Seller: _____

Type of Option: _____

Strike Price: _____

Premium: _____

Exercise Period: _____

This confirmation letter is being provided pursuant to and in accordance with the Master Power Purchase and Sale Agreement dated _____ (the “Master Agreement”) between Party A and Party B, and constitutes part of and is subject to the terms and provisions of such Master Agreement. Terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement.

[Party A]

[Party B]



**RENEWABLE ENERGY CERTIFICATES ANNEX
to the
EEI MASTER POWER PURCHASE & SALE AGREEMENT**

Name: 3Degrees Group, Inc., a corporation
organized under the laws of the State of California
("Party A")

Name: Public Utility District No. 1 of Benton
County, a public utility district organized
under the laws of the State of Washington
("Party B")

Effective Date of EEI Master Agreement between Party A and Party B: [November [●], 2025]

Effective Date of this EEI Renewable Energy Certificates Annex: [November [●], 2025]

Paragraph 8 Renewable Energy Certificate Elections Cover Sheet:

All Notices:

As set forth on the EEI Master Agreement Cover Sheet unless
otherwise set forth below:

Street: _____
City: _____
Attn: _____
Phone: _____
Facsimile: _____

Invoices:

As set forth on the EEI Master Agreement Cover Sheet unless
otherwise set forth below:

Attn: _____
Phone: _____
Facsimile: _____

Confirmations:

As set forth on the EEI Master Agreement Cover Sheet unless
otherwise set forth below:

Attn: _____
Phone: _____
Facsimile: _____

Payments:

As set forth on the EEI Master Agreement Cover Sheet
unless otherwise set forth below:

Attn: _____
Phone: _____
Facsimile: _____
BNK: _____
ABA: _____
ACCT: _____

All Notices:

As set forth on the EEI Master Agreement Cover Sheet unless
otherwise set forth below:

Street: _____
City: _____
Attn: _____
Phone: _____
Facsimile: _____

Invoices:

As set forth on the EEI Master Agreement Cover Sheet unless
otherwise set forth below:

Attn: _____
Phone: _____
Facsimile: _____

Confirmations:

As set forth on the EEI Master Agreement Cover Sheet unless
otherwise set forth below:

Attn: _____
Phone: _____
Facsimile: _____

Payments:

As set forth on the EEI Master Agreement Cover Sheet
unless otherwise set forth below:

Attn: _____
Phone: _____
Facsimile: _____
BNK: _____
ABA: _____
ACCT: _____

Additional elections for EEI Master Agreement Section 2.1 Transactions

Outstanding RECs Transactions. This EEI RECs Annex applies to the following pre-existing RECs Transactions:

- € Option A: All RECs Transactions outstanding between the parties as of the Effective Date of this EEI RECs Annex. – If no options are selected, Option A applies.
- ✓ Option B: The RECs Transactions listed in Schedule 1 to this EEI RECs Annex only.
- € Option C: None of the RECs Transactions between the Parties that were executed prior to the Effective Date of this EEI RECs Annex.

Applicability of Articles 8.1, 8.2, and, if applicable, the Collateral Annex

- € Option A: Articles 8.1, 8.2 and, if applicable, the Collateral Annex, apply to all RECs Transactions. – If no options are selected, Option A applies.
- ✓ Option B: Articles 8.1, 8.2 and, if applicable, the Collateral Annex, do not apply to any RECs Transactions.
- € Option C: Articles 8.1, 8.2 and, if applicable, the Collateral Annex, apply to all RECs Transactions except those RECs Transactions set forth in Schedule 2 as amended from time to time.

Elections for Paragraph Three:

3.5 Payment Netting

- € Option A (Payment Netting) – If neither Option A nor Option B is checked, Option A shall apply.
- € Option B (No Payment Netting)

Other Changes

Specify, if any:

[Parties should refer to any provisions of their EEI Cover Sheet and optional provisions that should not govern RECs Transactions, for example Mobile-Sierra waivers.]

IN WITNESS WHEREOF, the Parties have caused this EEI RENEWABLE ENERGY CERTIFICATES ANNEX to be duly executed in one or more counterparts (each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same agreement) effective as of the Effective Date of this EEI RECs Annex. The Parties expressly acknowledge the validity of facsimile counterparts of this EEI RECs Annex, if any, which may be transmitted in advance of, or in lieu of, executed original documents.

Party A: 3Degrees Group, Inc.

**Party B: Public Utility District No. 1 of Benton
County**

By: _____

Printed Name: _____

Title: _____

By: _____

Printed Name: Rick Dunn

Title: General Manager

RENEWABLE ENERGY CERTIFICATES ANNEX
TO THE
EEI MASTER POWER
PURCHASE & SALE AGREEMENT

WHEREAS, Party A and Party B have entered into an EEI Master Power Purchase & Sale Agreement (including any amendments, annexes or Cover Sheet thereto which are provided for and incorporated into the EEI Master Power Purchase & Sale Agreement, the “EEI Master Agreement”), which EEI Master Agreement governs the terms and conditions pursuant to which the Parties may enter into transactions relating to the purchase and sale of electric capacity, energy and other products related thereto; and

WHEREAS, the Parties desire to enter into this Renewable Energy Certificates Annex to the EEI Master Agreement to provide terms and conditions under which the Parties may enter into Transactions relating to the purchase and sale of Renewable Energy Certificates (as hereinafter defined; each such Transaction, a “RECs Transaction”);

NOW, THEREFORE, the Parties agree as follows:

PARAGRAPH ONE: GENERAL TERMS

1.1 Scope of Agreement. The Parties enter into this Renewable Energy Certificates Annex to the EEI Master Agreement (this “EEI RECs Annex”) in order to provide for the terms and conditions pursuant to which they may enter into Transactions for RECs Products (as defined below). This EEI RECs Annex, together with the Paragraph 8 Renewable Energy Certificate Elections Cover Sheet (“Paragraph 8 Cover Sheet”), supplements, forms a part of, and is incorporated into, the EEI Master Agreement. Capitalized terms used in this EEI RECs Annex but not defined herein shall have the meanings given such terms in the EEI Master Agreement.

1.2 The terms set forth in the EEI Master Agreement and this EEI RECs Annex applies to those Transactions that relate to RECs Products (each such Transaction, a “RECs Transaction”). Unless otherwise expressly amended by this EEI RECs Annex, all of the terms and conditions set forth in the EEI Master Agreement apply to RECs Transactions. “Transaction” as used in the EEI Master Agreement includes both Transactions relating to Power Products and RECs Products and except as otherwise provided in this EEI RECs Annex, the EEI Master Agreement shall apply equally to all such Transactions without differentiation. By way of example only, the Parties intend that the occurrence of an Event of Default under Section 5.1 of the EEI Master Agreement would enable the Non-Defaulting Party to exercise any or all of the rights of Article Five with respect to all Transactions notwithstanding whether such Transactions are for RECs Products or Power Products. In the event of any inconsistency among or between the EEI Master Agreement and this EEI RECs Annex, this EEI RECs Annex will govern with respect to RECs Transactions only.

PARAGRAPH TWO: DEFINITIONS

2.1 Definitions. With respect to RECs Transactions, these terms have the following meanings, and if the same term is defined in the EEI Master Agreement, the definition herein supersedes and replaces that in the EEI Master Agreement:

2.1.1 “Administrator” means an administrator, Certifier, Governmental Authority or other body with jurisdiction over Certification or transfer of Environmental Attributes in the Applicable Program.

2.1.2 “Alternative Compliance Payment” means a monetary amount under Applicable Law for an Applicable Program the payment of which is in lieu of compliance or other maximum amount agreed upon by the Parties.

2.1.3 “Applicable Law” means all legally binding constitutions, treaties, statutes, laws, ordinances, rules, regulations, orders, interpretations, permits, judgments, decrees, injunctions, writs and orders of any Governmental Authority or arbitrator that apply to the Applicable Program or any one or both of the Parties or the terms hereof.

2.1.4 “Applicable Program” means a mandatory or voluntary domestic, international or foreign RPS, renewable energy, or other program, scheme or organization, with respect to a market, registry or reporting for Environmental Attributes specified in a RECs Transaction.

2.1.5 “Attestation” means a Transfer Certificate or Certification in form and substance as agreed to by the Parties separate and apart from the RECs Confirmation, an example of which for voluntary and potentially other Applicable Programs is attached as Exhibit C.

2.1.6 “Certification” means, if applicable, the certification by the Certifier of the Applicable Program of (i) the creation and characteristics of a REC, (ii) the qualification of a Renewable Energy Facility under the Applicable Program, (iii) Delivery of a REC or (iv) other compliance with the requirements of the Applicable Program.

2.1.7 “Certifier” means an entity that certifies the generation, characteristics or Delivery of a REC, or the qualification of a Renewable Energy Facility under the Applicable Program, and may include the Administrator, a GIS, a Governmental Authority, one or both of the Parties, an independent auditor or other third party, and should include (i) absent an Applicable Program, the Seller, or the generator of the RECs if the Seller is not the generator, (ii) if the RECs are to be Delivered pursuant to the Applicable Program, the Administrator of the Applicable Program, or such other person or entity specified by the Applicable Program to perform Certification or (iii) such other person or entity specified by the Parties.

2.1.8 “Certified Renewable Energy Facility” means a Renewable Energy Facility that is certified under or pursuant to the Applicable Program.

2.1.9 “Delivered” or “Delivery” means the transfer from Seller to Buyer of the Contract Quantity of the RECs Product in accordance with the Applicable Program and recognition by any applicable Administrator, Certifier, or GIS that such transfer has completed.

2.1.10 “Delivery Date” means the dates specified in the RECs Transaction for Delivery of the RECs Product to the Buyer.

2.1.11 “Environmental Attribute” means an aspect, claim, characteristic or benefit, howsoever entitled, associated with the generation of a quantity of Energy by a Renewable Energy Facility, other than the electric energy produced, and that is capable of being measured, verified or calculated, including any fuel, emissions, air quality or other environmental characteristics, credits, benefits, reductions, offsets and allowances resulting from the purchase, generation or use of energy from a Renewable Energy Facility or the avoidance of any emission of any gas, chemical or other substance to the air, soil or water attributable to such energy generation or arising out of any present or future Applicable Law. An Environmental Attribute may include one or more of the following identified with a particular megawatt hour of generation by a Renewable Energy Facility designated prior to Delivery: the Renewable Energy Facility’s use of a particular renewable energy source, avoided NO_x, SO_x, CO₂ or greenhouse gas emissions, avoided water use (but not water rights or other rights or credits obtained pursuant to requirements of Applicable Law in order to site and develop the Renewable Energy Facility itself), or as otherwise defined under the Applicable Program or as agreed by the Parties. Environmental Attributes do not include any Energy, capacity, reliability or other power attributes from the Renewable Energy Facility, production tax credits or other direct third-party subsidies, filed rates, or feed-in tariffs for generation of electricity by the Renewable Energy Facility.

2.1.12 “GIS” means a generation information system or generation attribute tracking system operated by an Independent System Operator or a Regional Transmission Organization, or any other system that records generation from Renewable Energy Facilities.

2.1.13 “Government Action” means action (and not merely the speculation thereof) by a Governmental Authority, Administrator, Certifier, or by the governing body of the Applicable Program, including a Regulatory Event, which results in a change to the eligibility of a RECs Product for the Applicable Program or a substantial change to the requirements for compliance by persons or entities obligated to comply with the Applicable Program which in either case has a material effect on the supply or value of a RECs Product that is the subject of a particular RECs Transaction, and includes a change in Applicable Law that disqualifies any previously qualifying or Certified Renewable Energy Facilities (by Energy sources, Initial Operating Date or otherwise) or previously complying RECs Product, that is the subject of a RECs Transaction entered into prior to the change under an existing Applicable Program, including a change that that (i) eliminates or discontinues certification of the RECs Product, or (ii) creates any adverse material change in the application of the Applicable Program regarding a Party’s authority to sell or purchase the RECs Product.

2.1.14 “Governmental Authority” means any international, national, federal, provincial, state, municipal, county, regional or local government, administrative, judicial or regulatory entity operating under any Applicable Laws and includes any department, commission, bureau, board, administrative agency or regulatory body of any government.

2.1.15 “Initial Operating Date” means the date when a particular Renewable Energy Facility first became commercially operational.

2.1.16 “Penalties” means, with respect to the Non-Defaulting Party, the present value of any Alternative Compliance Payments, penalties, fines or fees imposed or assessed against the Non-Defaulting Party by an Administrator or Governmental Authority on account of Delivery not occurring on the Delivery Date, as determined by the Non-Defaulting Party in a commercially reasonable manner.

2.1.17 “RECs Product” means the RECs and Environmental Attributes to be delivered in a particular RECs Transaction.

2.1.18 “RECs Confirmation” is the form used by the Parties in the form of Exhibit A or Exhibit B or as otherwise agreed by the Parties, specifying the terms of a RECs Transaction.

2.1.19 “RECs Product Reporting Rights” means the exclusive right to report sole ownership of the RECs Product to any Certifier, GIS, Administrator, Governmental Authority or other party, including under Section 1605(b) of the Energy Policy Act of 1992, or under any present or future Applicable Program.

2.1.20 “RECs Transaction” is a Transaction under the Agreement governed by this EEI RECs Annex.

2.1.21 “Regulatorily Continuing” means, with respect to a RECs Transaction represented by a Party as complying with an Applicable Program, such compliance will be as of both the Delivery Date and the Trade Date notwithstanding any Government Action.

2.1.22 “Renewable Energy Certificate” or “REC” means a certificate, credit, allowance, green tag or other transferable indicia, howsoever entitled, created by or pursuant to the Applicable Program or Certifier indicating generation of a particular quantity of energy, or RECs Product associated with the generation of a specified quantity of Energy from a renewable energy source by a Renewable Energy Facility, separate from the Energy produced.

2.1.23 “Renewable Energy Facility” means an electric generation unit or other facility or installation that produces Energy qualifying under the Applicable Program, and includes a Certified Renewable Energy Facility.

2.1.24 “Renewable Portfolio Standard” or “RPS” means a domestic, international, or foreign state, provincial or federal law, rule or regulation that requires a stated amount or minimum proportion or quantity of electricity that is sold or used by specified entities to be generated from renewable energy.

2.1.25 “Replacement Price” means the price at which Buyer, acting in a commercially reasonable manner, purchases replacement RECs Product for any RECs Product specified in the RECs Transaction but not delivered by Seller, which replacement RECs Product complies with the Applicable Program as of the Delivery Date for a Regulatorily Continuing RECs Transaction and as of the Trade Date for a RECs Transaction that is not Regulatorily Continuing, and have the same Vintage as the RECs Product not Delivered, plus Costs reasonably incurred by Buyer in purchasing such substitute RECs Product, or absent a purchase, the market price for such RECs Product not delivered, as determined by Buyer in a commercially reasonable manner; provided, however, in no event shall such market price exceed any applicable Alternative

Compliance Payment set forth in the Applicable Program (if any), nor shall Buyer be required to acquire replacement RECs or utilize or change its utilization of its market positions to minimize Seller's liability.

2.1.26 "Reporting Year" means a twelve-month compliance period specified under the Applicable Program.

2.1.27 "Sales Price" means the price at which Seller, acting in a commercially reasonable manner, resells any RECs Product specified in the RECs Transaction not received by Buyer deducting from such proceeds any Costs reasonably incurred by Seller in reselling such RECs Product and Delivering to a third party purchaser thereof, or absent a sale, the market price for such RECs Product that complies with the Applicable Program as of the Delivery Date for a Regulatorily Continuing RECs Transaction and as of the Trade Date for a RECs Transaction that is not Regulatorily Continuing, and have the same Vintage as the RECs Product not received, as determined by Seller in a commercially reasonable manner; provided, however, in no event shall such market price include any Penalties or similar charges or stranded costs unless specified in the applicable RECs Transaction, nor shall Seller be required to utilize or change its utilization of its market positions to minimize Buyer's liability; and provided further that if Seller is unable after using commercially reasonable efforts to obtain a market price or resell all or a portion of the RECs Product not received by Buyer, then the Sales Price with respect to such unsold RECs Product shall be deemed equal to zero dollars (\$0).

2.1.28 "Trade Date" means the date a RECs Transaction is entered into by the Parties.

2.1.29 "Transfer Certificate" means an Attestation, GIS record of ownership transfer or other document evidencing Delivery of a REC and otherwise satisfying the requirements of the Parties and any Applicable Program.

2.1.30 "Vintage" means the calendar year, Reporting Year or other period specified by the Parties or the Certifier, as applicable, in which the RECs Product is created or first valid for use under the Applicable Program.

2.2 Rules of Interpretation. Unless otherwise required by the context in which any term appears, (i) the singular includes the plural and vice versa; (ii) all references to a particular entity or market price index include a reference to such entity's or index's successors and (if applicable) permitted assigns; and (iii) a reference to a statute or to a regulation issued by a Governmental Authority includes the statute or regulation in force as of the Trade Date, or Delivery Date with respect to a RECs Product that is Regulatorily Continuing; and (iv) the word "or" is not necessarily exclusive.

PARAGRAPH THREE: AMENDMENTS TO THE EEI MASTER AGREEMENT

3.1 Definitions. Section 1.47 of the EEI Master Agreement is amended by adding to the end thereof "in the EEI RECs Annex or RECs Product Transactions thereunder."

3.2 Confirmation. The first sentence of Section 2.3 of the EEI Master Agreement shall be modified by the addition of the following at the end thereof: “and substantially in the form of a RECs Confirmation with respect to RECs Transactions.”

3.3 Additional Confirmation Terms. Section 2.4 of the EEI Master Agreement shall apply only to Power Products.

3.4 Obligations and Deliveries. Sections 3.1 and 3.2 of the EEI Master Agreement shall apply only to Power Products. The applicable provisions with respect to RECs Products are set forth in Paragraph 4.1 below.

3.5 Payment and Netting.

Option A: Payment Netting with Payment for Power and RECs Transactions on the same payment date. Section 6.2 of the EEI Master Agreement shall apply to Power Products and RECs Products, it being the intent of the Parties that monthly payments for Power Products shall be netted with monthly payments for RECs Products, all in accordance with Article 6 of the EEI Master Agreement, including Section 6.4 thereof. In addition to the netting of monthly payments in respect of RECs Products and Power Products, if an Early Termination Date is declared by the Non-Defaulting Party pursuant to Article 5 of the EEI Master Agreement, then all Settlement Amounts and any other payments for all Transactions whether for Power Products or RECs Products shall be netted in calculating the Early Termination Payment pursuant to the provisions of Section 5.3 of the EEI Master Agreement.

Option B: No Payment Netting with Payment for RECs Transactions on the 5th Business Day following Delivery of RECs. The first sentence of Section 6.2 of the EEI Master Agreement shall apply only to Power Products. With respect to RECs Products only, the first sentence of Section 6.2 shall be replaced with the following sentence: “Unless otherwise agreed by the Parties in a RECs Transaction, all invoices under this EEI Master Agreement for RECs Products shall be due and payable in accordance with each Party’s invoice instructions on or before the later of the 5th Business Day following Delivery, or the 5th Business Day after receipt of the invoice by Buyer.” Section 6.4 of the EEI Master Agreement shall apply to both Power Products and RECs Products; provided, however, for this limited purpose only, monthly payments for Power Products shall be netted only with monthly payments for other Power Products and monthly payments for RECs Products shall be netted only with monthly payments for other RECs Products. If an Early Termination Date is declared by the Non-Defaulting Party, then all Settlement Amounts and any other payments for all Transactions whether for Power Products or RECs Products shall be netted in calculating the Early Termination Payment pursuant to the provisions of Section 5.3 of the EEI Master Agreement.

3.6 Title and Indemnity. Sections 10.3 and 10.4 of the EEI Master Agreement shall apply only to Power Products. The provisions that apply to RECs Products are set forth in Paragraph 4.3 below.

PARAGRAPH FOUR: SUPPLEMENTS TO THE EEI MASTER AGREEMENT FOR TRANSACTIONS RELATING TO RECs PRODUCTS

The following provisions apply to RECs Products only.

4.1 Delivery. Seller shall deliver the RECs Product, and Buyer shall receive and pay for the RECs Product, in the manner required to comply with the terms of this RECs Annex and any RECs Transactions into which the Parties may from time to time enter.

4.2 Taxes and Fees. In any RECs Transaction, the term “Delivery Point” as used in the EEI Master Agreement is defined in the RECs Confirmation, if applicable. Each Party will be responsible for the payment of any fees, including broker’s fees, incurred by it in connection with any RECs Transactions hereunder.

4.3 Transfer of Title. Unless otherwise specified in a RECs Transaction, none of Seller’s applicable property and other right, title and interests in the RECs Product will pass to Buyer until the Delivery and payment are complete and upon such completion, all rights, title and interest in and to the RECs Product, to the full extent the same is property, will transfer to Buyer.

4.4 Effect of Transfer of Environmental Attributes. By transferring RECs Product in a RECs Transaction, Seller transfers any and all, and the exclusive, right to use that RECs Product in any Applicable Program, whether or not the RECs Transaction specifies that the RECs Product is eligible for an Applicable Program, and whether or not the particular RECs Product or any Environmental Attribute therein constitutes property, as well as any and all RECs Product Reporting Rights. Transfer of an Environmental Attribute does not transfer eligibility for production tax credits or other direct third-party subsidies for generation of electricity by any specified Renewable Energy Facility. Delivery of a RECs Product grants the Buyer the right, exclusive to the full extent applicable, to verify, certify and otherwise take advantage of the rights, claims and ownership in the RECs Product.

4.5 Certifying. The type and amount of any Environmental Attribute transferred and Delivered will be measured, calculated, verified and certified as agreed by the Parties or as required pursuant to the Applicable Program, if any. Unless otherwise specified in a RECs Transaction or the Applicable Program, Seller will (a) ensure that the selection of the Certifier complies with this EEI RECs Annex and the Applicable Program and (b) be responsible for the costs of the Certifier required for Delivery.

4.6 Secondary Markets; Exclusion of Warranties. Unless otherwise specified in a RECs Transaction, neither Seller nor Buyer will have any liability to the other for any act, omission, misrepresentation or breach by a Certifier (other than those due to failure to pay required fees, charges or expenses). Except as required under the Applicable Program, to the extent a RECs Product is evidenced or Delivered with a Transfer Certificate or other documents executed by or setting forth the findings of third parties, the sole representations of Seller with respect thereto will be that (i) Seller has no actual knowledge that any statement therein is false or intentionally misleading, and (ii) the documents provided by it are true and correct copies of the documentation it has. All representations and warranties made by a Seller to a Buyer with respect to the

Environmental Attributes, Renewable Energy Facility, Energy delivery location or Vintage of a RECs Product are transferable by the Buyer. However, as different Applicable Programs have differing compliance requirements, any representation that a RECs Product is Regulatorily Continuing applies solely to the Delivery by the Seller of RECs Product under the Applicable Program to the Buyer and only up to the Delivery Date, and the benefit of such representation is not assignable by Buyer, except as consented to by Seller in writing. Any other representation of compliance with the Applicable Program applies only up to the Trade Date. A RECs Transaction may provide by its terms that the Renewable Energy Facility will be designated by the Seller after the Trade Date and on or before the Delivery Date, so long as once having been designated, the Delivery complies with the requirements of the Applicable Program, in the manner represented by Seller.

4.7 Tariffs; Energy. Party A Tariff and Party B Tariff do not apply to RECs Transactions unless specifically so stated in the RECs Confirmation. A RECs Transaction may be entered into in connection with a Transaction for Energy. Delivery of RECs Product can be with or independent of delivery of the Energy with which the RECs Product is associated if so permitted under the Applicable Program.

PARAGRAPH FIVE: FURTHER REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Mutual Representations and Warranties. On the Effective Date and on each Trade Date, each Party represents and warrants to the other what it has represented and warranted in Section 10.2 of the EEI Master Agreement and that: (i) it is an “eligible commercial entity” and an “eligible contract participant” within the meaning of United States Commodity Exchange Act §§1a(17) and 1a(18), respectively and (ii) except as otherwise provided in Paragraph 4.6, all applicable information, documents or statements that have been furnished in writing by or on behalf of it to the other Party in connection with this Agreement are true, accurate and complete in every material respect and do not omit a material fact that would otherwise make the information, document or statement misleading.

5.2 Warranties and Certain Covenants of Seller. With respect to each RECs Transaction, Seller represents and warrants to Buyer on the Trade Date and on the Delivery Date for all RECs Product that: (i) Seller has good and marketable title to such RECs Product; (ii) Seller has not, under any Applicable Program or otherwise, sold to any other person or entity, retired for its own benefit, or represented as part of any Energy sale the RECs Product or any Environmental Attribute of the RECs Product to be transferred to Buyer; (iii) all right, title and interest in and to such RECs Product are free and clear of any liens, taxes, claims, security interests or other encumbrances except for any right or interest by any entity claiming through Buyer; (iv) each Environmental Attribute and REC meets the specifications set forth in the RECs Transaction; (v) the RECs Product is separate from the Energy generated by the Renewable Energy Facility, unless otherwise specified by the Parties; (vi) such RECs Product complies with the Applicable Program for which the RECs Product requires compliance until (a) Delivery for RECs Transactions that are Regulatorily Continuing, or (b) the Trade Date for RECs Transactions that are not Regulatorily Continuing; (vii) unless expressly set forth in a RECs Transaction, with respect to Seller, the RECs Product is not transferred, and has not been transferred pursuant to a contract filed or required to be filed with or approved by any Governmental Authority having jurisdiction over the sale of

Energy; (viii) the representations and warranties set forth in the form of Attestation, if any, as of the Delivery Date are true and correct, provided that if the RECs Transaction is not Regulatorily Continuing, this representation is only as to the form of Attestation in effect as of the Trade Date; and (ix) subject to Paragraph 4.6 and unless otherwise specified to the contrary on the RECs Transaction, Seller has disclosed to Buyer any and all Transfer Certificates, Attestations, and all other relevant documentation received by it in connection with its acquisition of the RECs Product sold to Buyer hereunder, and any use by any Environmental Attribute of the RECs Product by Seller or any other person or entity to comply with any Applicable Program. With respect to any RECs Transaction, absent a representation by Seller that the RECs Product complies with the requirements of a specified Applicable Program, Buyer bears the risk that the RECs Product is or will be in compliance with such Applicable Program. With respect to any RECs Transaction, if Seller represents that a RECs Product complies with the Applicable Program, such representation is made and effective as of the Trade Date, and Seller will not be in breach of such representation on account of any Government Action occurring after the Trade Date, unless the RECs Transaction is Regulatorily Continuing, in which case Seller must Deliver RECs Product that complies with the Applicable Program as of the Delivery Date. If the RECs Transaction is Regulatorily Continuing, Seller will cause the RECs Product that is Delivered to comply with the requirements of the Applicable Program on the Delivery Date, including Delivering substitute RECs Product acceptable to Buyer if appropriate.

5.3 LIMITATION OF WARRANTIES. THE EXPRESS WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND SELLER MAKES NO OTHER WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE RECS PRODUCT DELIVERED AND TRANSFERRED WHETHER AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER MATTER, INCLUDING WITH RESPECT TO ANY GOVERNMENT ACTION OR ANY OTHER FUTURE ACTION OR FAILURE TO ACT OR APPROVAL OR FAILURE TO APPROVE BY ANY GOVERNMENTAL AUTHORITY OR ADMINISTRATOR.

5.4 Cooperation on Delivery; Review of Records. Upon either Party's receipt of notice from the Administrator that the transfer of RECs pursuant to a RECs Transaction will not be recognized or a RECs Product Delivery was not made as required pursuant to the terms of a RECs Transaction, that Party will immediately so notify the other Party, providing a copy of such notice, and both Parties will cooperate in taking such actions as are necessary and commercially reasonable to cause such transfer to be recognized and RECs Product Delivered. Each Party agrees to provide copies of its records to the extent reasonably necessary for the Certifier to perform the functions designated on the RECs Transaction, and to verify the accuracy of any fact, statement, charge or computation made pursuant hereto if requested by the other Party. If, as a result of Seller's failure to provide Buyer with documentation and records it has agreed in the RECs Transaction to provide any or all of the Contract Quantity of RECs Product is disallowed ("Disallowed RECs") Seller will pay damages for such Disallowed RECs as if there had been a failure to Deliver them and Buyer shall after receipt of such damages return the Disallowed RECs to Seller. If Seller is not the owner or operator of the Renewable Energy Facility that generated the RECs Product, Seller will cooperate with Buyer in any efforts to review the records of the original Seller of such RECs Product. If Seller is the owner or operator of the Renewable Energy Facility that generated the RECs Product in a RECs Transaction, it consents to the Buyer's

assignment of rights under this Paragraph to any subsequent purchaser of such RECs Product. The obligations set forth in this Paragraph terminate with respect to any particular RECs Transaction on the later of thirty days following the last banking date under the Applicable Program for the Vintage of the RECs Product Delivered, or the third anniversary of the Delivery Date. Notwithstanding any provisions in the EEI Master Agreement regarding confidentiality, Buyer, and any affiliates or customers of Buyer to which Buyer resells the Product delivered by Seller hereunder, will have the right to disclose (i) to any entity or governmental authority having jurisdiction, any information necessary to demonstrate compliance with any RPS, and (ii) to any customer of Buyer or Buyer's affiliates that is participating in any voluntary renewable energy retail electric service customer choice program, the RECs Product content and characteristics.

PARAGRAPH SIX: ADDITIONAL TERMS RESPECTING REMEDIES AND FORCE MAJEURE

6.1 Not a Penalty. The Parties intend that no remedy or amount due hereunder represents a penalty to the Defaulting Party.

6.2 Registry Failure. If a Party is unable to Deliver or receive RECs due to the occurrence of a disruption in Deliveries caused by the applicable Administrator or GIS, as applicable which is not subject to Paragraph 7.11 and is not within the reasonable control of, or the result of the negligence of, such Party, by the exercise of due diligence, such Party was unable to avoid (a "Registry Failure"), it shall provide the other Party with written notice and full details within two (2) Business Days. The Parties will use their best efforts to cause Delivery and give effect to the original intention of the Parties. No Party will be relieved due to a Registry Failure from any obligation to provide any notice or make any payments due.

6.3 Scope of Force Majeure. This Paragraph 6.3 is in addition to and not in replacement of the provisions respecting Force Majeure in the EEI Master Agreement. With respect to Unit Specific RECs, Force Majeure includes events of Force Majeure that disrupt the operation of the specified Renewable Energy Facility. Force Majeure may not be based upon change in Applicable Law or Government Action in a Regulatorily Continuing RECs Transactions. In the case of a Party's obligation to make payments hereunder, Force Majeure will be only an event or act of a Governmental Authority that on any day disables the banking system through which a Party makes such payments.

PARAGRAPH SEVEN: APPLICABLE LAW

7.11 Government Action. The Parties acknowledge that the Applicable Programs, which among other things establish the conditions for a market for certain RECs Products, may be the subject of Government Action. Unless otherwise provided in a RECs Transaction, Government Action that changes in any respect the value of a RECs Product, without rendering the RECs Product out of compliance with the Applicable Program if Regulatorily Continuing, including the Applicable Program being discontinued, suspended, cancelled, repealed, or otherwise no longer scheduled to proceed, will have no effect on the obligation of the Parties to purchase and sell such RECs Product at the price and on the terms set forth in the RECs Transaction. To the extent that Government Action (i) renders Delivery illegal under Applicable Law, or (ii) makes impossible

the trading or transferring of the RECs Product, then promptly after the occurrence of such Government Action, the Parties will use their best efforts to reform the affected RECs Transaction(s) in order to give effect to the original intention of the Parties or transfer the RECs Product under another Applicable Program or method if possible. For purposes of the affected RECs Transaction(s) only, if the Parties are unable, despite such efforts, to reform such RECs Transaction(s) or transfer the RECs Product within ten (10) Business Days following the Government Action, either Party may, at its sole option terminate the affected RECs Transaction(s) without terminating the EEI Master Agreement and with no further payment or performance obligation; provided that the Parties shall make any payments due in accordance with obligations already performed and that portion of whatever has been paid for the quantity of RECs Product not yet Delivered will be refunded by Seller, to the extent it is lawful to do so. If Government Action results in the Applicable Program being superseded by another state, regional or federal renewable energy program, then, Seller shall Deliver either under the existing Applicable Program or under the superseding program, to the extent possible and commercially reasonable. Notwithstanding the foregoing, no RECs Transaction will be affected, cancelled or otherwise impaired by Government Action that is specific to a Party under Applicable Law taken by a Governmental Authority alleging that Party's violation thereof.

7.2 Governing Law. Notwithstanding Section 10.6 of the EEI Master Agreement, the creation, issuance, transfer, tracking and retirement of RECs shall be governed by the laws, rules and regulations of the Applicable Program, if any.

SCHEDULE P-RECS: RECS PRODUCT DEFINED TERMS

“Basic REC” means a REC that consists solely of a Certification of the generation of electricity by a Renewable Energy Resource, without any additional Environmental Attributes.

“Firm” means, with respect to a RECs Transaction, that if either Party fails to perform its obligation to sell and deliver or purchase and receive the RECs Product, the Party to which performance is owed shall be entitled to receive from the Party that failed to perform an amount determined pursuant to Article 4 of the EEI Master Agreement. Force Majeure shall not excuse performance of a Firm RECs Transaction.

“Resource Type Specific” when referring to RECs Product means that the Renewable Energy Facility that has generated or is eligible to generate the RECs Product utilizes a specified type of renewable energy.

“Specified REC” means a REC that includes or excludes specified Environmental Attributes.

“Standard REC” means a REC that includes all Environmental Attributes arising as a result of the generation of electricity associated with the REC, whether such Environmental Attributes have been certified and whether creditable under any existing Applicable Program.

“Unit Contingent” means that Seller is excused from any failure to Deliver RECs Product quantity on account of failure of a specified Renewable Energy Facility to generate the amount of RECs necessary in the Vintage or other time period indicated. In such event, Seller shall not be liable to Buyer for any damages, including any amounts determined pursuant to Article 4.

“Unit Contingent-Allocated” means that Seller is excused from any failure to Deliver RECs Product quantity on account of failure of a specified Renewable Energy Facility to generate the amount of RECs necessary in the Vintage or other time period indicated to satisfy all obligations of RECs delivery to all purchasers as assigned by Seller to the Renewable Energy Facility. In such event, Seller shall not be liable to Buyer for any damages, including any amounts determined pursuant to Article 4.

“Unit Non-specific” means that the Renewable Energy Facility generating the RECs Product need not be specified.

“Unit Specific” means that the Renewable Energy Facility generating the RECs Product is and must be specified.

Schedule 1: Outstanding RECs Transactions

The RECs Transactions set forth below constitute Outstanding RECs Transactions:

Schedule 2: Applicability of Collateral Annex

The Collateral Annex does not apply to any RECs Transactions.

EXHIBIT A: EXAMPLE RECS CONFIRMATION

RECS TRANSACTION CONFIRMATION BETWEEN

AND

This confirmation ("Confirmation") confirms the transaction ("Transaction") between [] ("Seller") and [] ("Buyer"), each individually a "Party" and together the "Parties", effective as of [], 20[] (the "Trade Date"). This Transaction is governed by the pursuant to the terms of the EEI Master Power Purchase and Sale Agreement between them dated _____, 20[] and the EEI Renewable Energy Certificates Annex dated _____, 20[] ("EEI RECs Annex") thereto (collectively, the "Agreement"). Initially capitalized terms used and not otherwise defined herein are defined in the Agreement and Schedule P-RECs or in the Applicable Program.

Seller: _____	Buyer: _____																					
Contact Information:	<table style="width: 100%;"> <tr> <td style="width: 50%;"><u>Seller</u></td> <td style="width: 50%;"><u>Buyer</u></td> </tr> <tr> <td>Tel: _____</td> <td>Tel: _____</td> </tr> <tr> <td>Fax: _____</td> <td>Fax: _____</td> </tr> </table>	<u>Seller</u>	<u>Buyer</u>	Tel: _____	Tel: _____	Fax: _____	Fax: _____															
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Product:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr style="background-color: #f2f2f2;"> <th style="text-align: center; padding: 5px;">Type of REC</th> </tr> <tr> <td style="padding: 5px;">☐ Standard REC</td> </tr> <tr> <td style="padding: 5px;">☐ Basic REC</td> </tr> <tr> <td style="padding: 5px;">☐ Other RECs Product [describe]: _____</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr style="background-color: #f2f2f2;"> <th style="text-align: center; padding: 5px;">Applicable Program</th> </tr> <tr> <td style="padding: 5px;">☐ United States Renewable Energy Standard</td> </tr> <tr> <td style="padding: 5px;">☐ California RPS</td> </tr> <tr> <td style="padding: 5px;">☐ _____ RPS</td> </tr> <tr> <td style="padding: 5px;">☐ Certified by Green-e Energy Center For Resource Solutions or Green-e approved entity</td> </tr> <tr> <td style="padding: 5px;">☐ Certifiable by Green-e Energy Center For Resource Solutions</td> </tr> <tr> <td style="padding: 5px;">☐ Other _____</td> </tr> <tr> <td style="padding: 5px;">☐ None</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr style="background-color: #f2f2f2;"> <th style="text-align: left; padding: 5px;">Product: (Check One):</th> </tr> <tr> <td style="padding: 5px;">☐ Firm</td> </tr> <tr> <td style="padding: 5px;">☐ Unit Contingent</td> </tr> <tr> <td style="padding: 5px;">☐ Unit Contingent-Allocated</td> </tr> <tr> <td style="padding: 5px;">☐ Unit Specific: _____</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr style="background-color: #f2f2f2;"> <th style="text-align: center; padding: 5px;">Certifier</th> </tr> <tr> <td style="padding: 5px;">☐ WREGIS</td> </tr> <tr> <td style="padding: 5px;">☐ Center for Resource Solutions Green-e Energy</td> </tr> <tr> <td style="padding: 5px;">☐ Other: _____</td> </tr> </table>	Type of REC	☐ Standard REC	☐ Basic REC	☐ Other RECs Product [describe]: _____	Applicable Program	☐ United States Renewable Energy Standard	☐ California RPS	☐ _____ RPS	☐ Certified by Green-e Energy Center For Resource Solutions or Green-e approved entity	☐ Certifiable by Green-e Energy Center For Resource Solutions	☐ Other _____	☐ None	Product: (Check One):	☐ Firm	☐ Unit Contingent	☐ Unit Contingent-Allocated	☐ Unit Specific: _____	Certifier	☐ WREGIS	☐ Center for Resource Solutions Green-e Energy	☐ Other: _____
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☐ Unit Specific: _____																						
Certifier																						
☐ WREGIS																						
☐ Center for Resource Solutions Green-e Energy																						
☐ Other: _____																						
Contract Quantity:	[[] MWh/[] RECs]																					
Vintage:	_____																					

Reporting Year:	_____															
Renewable Energy Resource (if applicable):	<table border="1"> <tr> <td>Name of Facility(ies):</td> <td></td> </tr> <tr> <td>Location:</td> <td></td> </tr> <tr> <td>EIA Number:</td> <td></td> </tr> <tr> <td>California Energy Commission ID (or other Applicable Program Renewable Energy Facility Certifier ID):</td> <td></td> </tr> <tr> <td>GIS ID:</td> <td></td> </tr> <tr> <td>Certification Date:</td> <td></td> </tr> <tr> <td>On-line Date:</td> <td></td> </tr> </table>		Name of Facility(ies):		Location:		EIA Number:		California Energy Commission ID (or other Applicable Program Renewable Energy Facility Certifier ID):		GIS ID:		Certification Date:		On-line Date:	
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Location:																
EIA Number:																
California Energy Commission ID (or other Applicable Program Renewable Energy Facility Certifier ID):																
GIS ID:																
Certification Date:																
On-line Date:																
Resource-Type (if applicable)																
Contract Price:	Vintage _____ [\$ /MWh/\$ REC] Vintage _____[\$ /MWh/\$ REC] Vintage _____[\$ /MWh/\$ REC] Vintage _____[\$ /MWh/\$ REC]															
Delivery Term:	The Delivery Term of this Transaction shall commence on [], 20[] and shall continue until [delivery by Seller to Buyer of the Product has been completed/[], 20[]].															
Alternate Payment Terms:	☐ Prepay ☐ Payment under Article Six of EEI Master Agreement based on time of upon Delivery of electricity with which RECs Product is associated, if applicable ☐ Payment upon Delivery of GIS Certificates															
Allocation of Change in Law Risk: (check one)	Seller's representations of compliance with the Applicable Program in Paragraph 5.2 are: ☐ made as of the Trade Date; ☐ made as of each Delivery Date during the Delivery Term and hence Regulatorily Continuing; ☐ excluded and shall not apply to this Transaction.															
Delivery Point:	☐ Buyer's GIS account (specify account information) ☐ Other _____															
Alternate Title Transfer	☐ Title transfers from Seller to Buyer upon the completion of both Delivery and payment for the RECs ☐ Title transfers from Seller to Buyer upon the completion of Delivery of the RECs, regardless of payment															
Additional Terms:	The following additional terms shall apply: _____															

The Parties agree to the RECs Transaction set forth herein.

[Seller]

Signed: _____

Name: _____

[Buyer]

Signed: _____

Name: _____

**EXHIBIT B: EXAMPLE RECS CONFIRMATION
RECS TRANSACTION
CONFIRMATION**

To:

From:

Confirmation Administration

This confirms a RECs Transaction between Buyer and Seller for the sale, purchase and delivery of Renewable Energy Certificates ("RECs") pursuant to the terms of the EEI Master Power Purchase and Sale Agreement between them dated [_____] and the EEI Renewable Energy Certificates Annex dated [_____] ("EEI RECs Annex") thereto (collectively, the "Agreement"). Initially capitalized terms used and not otherwise defined herein are defined in the Agreement and Schedule P-RECs.

Trade Date _____

Seller: _____

Buyer: _____

Type of RECs Product: ☐ Standard RECs
 ☐ Unit Contingent-Allocated

1. Amount: Number of RECs: _____ MWh
2. Vintage: _____
3. Price: \$_____/MWh for RECs
4. Delivery Date: _____
5. Method of Transfer: ____ Attestation ____ GIS specified as _____
6. Renewable Energy Facility: _____ Renewable Energy Source: _____
7. Seller represents that these RECs are compliant with the following Applicable Programs:
_____ [list] as of the Trade Date or,
☐ [check only if applicable] Regulatorily Continuing and as of the Delivery Date.

The Parties agree to the RECs Transaction set forth herein.

[Seller]

[Buyer]

Signed: _____

Signed: _____

Name: _____

Name: _____

Renewable Energy Certificate Record Keeping: Seller will deliver, to the extent applicable, the Attestation in a form similar to that attached hereto, or in such other form as may be required from time to time by such Certifier or as may from time to time be mutually agreed to by the Parties pursuant to the terms of the Applicable Program.

**RECs TRANSACTION CONFIRMATION
BETWEEN
3DEGREES GROUP, INC.
AND
PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY**

This confirmation ("Confirmation") confirms the transaction ("Transaction") between 3Degrees Group, Inc. ("Seller") and Public Utility District No. 1 of Benton County ("Buyer"), each individually a "Party" and together the "Parties", effective as of [November [●], 2025] (the "Trade Date"). This Transaction is governed by the pursuant to the terms of the EEI Master Power Purchase and Sale Agreement between them dated [November [●], 2025] and the EEI Renewable Energy Certificates Annex dated [November [●], 2025] ("EEI RECs Annex") thereto (collectively, the "Agreement"). Initially capitalized terms used and not otherwise defined herein are defined in the Agreement and Schedule P-RECs or in the Applicable Program.

Seller: 3Degrees Group, Inc.		Buyer: Public Utility District No. 1 of Benton County																																													
Contact Information:	<u>Seller</u> Tel: [503-758-6396] Fax: [N/A]	<u>Buyer</u> Tel: [509-582-1275] Fax: [509-582-1285]																																													
Product:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="background-color: #f2f2f2;">Type of REC</th> </tr> <tr> <td style="width: 5%;">☒</td> <td>Standard REC</td> </tr> <tr> <td>☐</td> <td>Basic REC</td> </tr> <tr> <td>☐</td> <td>Other RECs Product [describe]:</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="background-color: #f2f2f2;">Applicable Program</th> </tr> <tr> <td style="width: 5%;">☐</td> <td>United States Renewable Energy Standard</td> </tr> <tr> <td>☐</td> <td>California RPS</td> </tr> <tr> <td>☒</td> <td>Washington State Energy Independence Act (RCW 19.285) and the regulations thereunder (WAC 194-37); Washington State Clean Energy Transformation Act (RCW 19.405) and the regulations thereunder (WAC 194-40)</td> </tr> <tr> <td>☐</td> <td></td> </tr> <tr> <td>☐</td> <td>Certified by Green-e Energy Center For Resource Solutions or Green-e approved entity</td> </tr> <tr> <td>☐</td> <td>Certifiable by Green-e Energy Center For Resource Solutions</td> </tr> <tr> <td>☐</td> <td>Other</td> </tr> <tr> <td>☐</td> <td>None</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="background-color: #f2f2f2;">Product: (Check One):</th> </tr> <tr> <td style="width: 5%;">☒</td> <td>Firm</td> </tr> <tr> <td>☐</td> <td>Unit Contingent</td> </tr> <tr> <td>☐</td> <td>Unit Contingent-Allocated</td> </tr> <tr> <td>☐</td> <td>Unit Specific:</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="background-color: #f2f2f2;">Certifier</th> </tr> <tr> <td style="width: 5%;">☒</td> <td>WREGIS</td> </tr> <tr> <td>☐</td> <td>Center for Resource Solutions Green-e Energy</td> </tr> <tr> <td>☐</td> <td>Other:</td> </tr> </table>			Type of REC		☒	Standard REC	☐	Basic REC	☐	Other RECs Product [describe]:	Applicable Program		☐	United States Renewable Energy Standard	☐	California RPS	☒	Washington State Energy Independence Act (RCW 19.285) and the regulations thereunder (WAC 194-37); Washington State Clean Energy Transformation Act (RCW 19.405) and the regulations thereunder (WAC 194-40)	☐		☐	Certified by Green-e Energy Center For Resource Solutions or Green-e approved entity	☐	Certifiable by Green-e Energy Center For Resource Solutions	☐	Other	☐	None	Product: (Check One):		☒	Firm	☐	Unit Contingent	☐	Unit Contingent-Allocated	☐	Unit Specific:	Certifier		☒	WREGIS	☐	Center for Resource Solutions Green-e Energy	☐	Other:
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Contract Quantity:	50,000 RECs per year for each of 2026-2030 years																																														

Vintage:	Vintage 2026 through Vintage 2030	
Reporting Year:	Reporting Year 2026 through Reporting Year 2030	
Renewable Energy Resource (if applicable):	Name of Facility(ies):	Seller's choice among eligible renewable resources satisfying the requirements of the Applicable Program
	Location:	Seller's choice among locations satisfying the requirements of the Applicable Program
	EIA Number:	As applicable
	California Energy Commission ID (or other Applicable Program Renewable Energy Facility Certifier ID):	As applicable
	GIS ID:	As applicable
	Certification Date:	As applicable
	On-line Date:	As applicable
Resource-Type (if applicable)	Seller's choice among eligible renewable resources satisfying the requirements of the Applicable Program	
Contract Price:	\$12.79/REC	
Total Contract Price	\$3,197,500.00 USD	
Delivery Term:	The Delivery Term of this Transaction shall commence no earlier than 7/1/2026 and shall continue until 4/15/2031. Deliveries shall be made by Seller at any time during the Delivery Term with delivery of no less than 50,000 RECs for each Reporting Year required to be completed on or before April 15 of the following year.	
Alternate Payment Terms:	☐ Prepay ☐ Payment under Article Six of EEI Master Agreement based on time of upon Delivery of electricity with which RECs Product is associated, if applicable ☐ Payment not later than 30 days after Delivery of GIS Certificates	

Allocation of Change in Law Risk: (check one)	Seller's representations of compliance with the Applicable Program in Paragraph 5.2 are: ☐ made as of the Trade Date; ☒ made as of each Delivery Date during the Delivery Term and hence Regulatorily Continuing; ☐ excluded and shall not apply to this Transaction.
Delivery Point:	☒ Buyer's GIS account via WREGIS (specify account information) ☐ Other _____
Alternate Title Transfer	☒ Title transfers from Seller to Buyer upon the completion of both Delivery and payment for the RECs ☐ Title transfers from Seller to Buyer upon the completion of Delivery of the RECs, regardless of payment
Additional Terms:	The following additional terms shall apply: _____

The Parties agree to the RECs Transaction set forth herein.

3Degrees Group, Inc.

Public Utility District No. 1 of Benton County

Signed: _____

Signed: _____

Name: _____

Name: Rick Dunn

COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2025	
Subject:	Contract #23-46-21 – Northwest Open Access Network (NoaNet) – Network Coordinated Services – Change Order #4	
Authored by:	Chris Folta	Staff Preparing Item
Presenter:	Chris Folta	Staff Presenting Item (if applicable or N/A)
Approved by:	Chris Folta	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
☐ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☒ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☒ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion authorizing the General Manager on behalf of the District to extend Contract #23-46-21 through December 31, 2026, with Northwest Open Access Network (NoaNet), to provide Network Coordinated Services, increase the contract not-to-exceed amount by \$1,223,719.00; bringing the new not-to-exceed amount to \$3,701,157.00 plus Washington State Sales Tax.

Background/Summary

The District first entered into an Agreement with NoaNet to provide comprehensive Network Coordinated Services (NCS) for the broadband business in January of 2011. The contracted services include network management, sales, marketing, engineering, project estimating, design, construction management, and customer billing. NoaNet's delivery of these services has allowed the District's broadband business to achieve positive net cash flow back to electric rate payers every year since this Agreement has been in place.

In January of 2017 the NCS contract was renegotiated with NoaNet so that NCS service fees would be based on 33.3% of the District's gross broadband revenues rather than the line-item service fees previously used. Gross revenues used in the fee calculation would only include amounts associated with non-recurring and monthly-recurring charges for broadband services and not include amounts received from customers for capital contributions.

The District and NoaNet also agreed to include additional services within the NCS work scope to enable NoaNet's professional staff to engage with the District in "non-revenue producing" activities beneficial to the District's broadband business planning and to simplify administrative processes related to maintenance and facility repairs. The added services are billed on a time and material basis which are represented in line items 7

through 11 shown in the table below. The District’s 2026 Broadband services **annual revenue forecast is \$2,943,000** resulting in a projected **base NCS fee** under the contract terms of **\$980,019**. With the additional time and material expenses for “non-revenue producing” activities, the estimated contract total amount is **\$1,223,902** below.

NCS Service (33.3% District’s Broadband Revenue, not including contribution-in-aid-to-construction)		2026 Service Fee
(1)	Management, Administration and Sales	Included
(2)	Network Engineering and Sales Engineering	Included
(3)	Network Operations	Included
(4)	Outside Plant Management	Included
(5)	Estimating, Design and Construction-Management	Included
(6)	Customer Billing	Included
Base NCS Fee		\$980,019
(7)	System planning and special projects (Time and Expenses) Hourly Rates for Staff: • Director - \$228/hour • Sr. Manager / Sr. Engineer - \$204/hour • Manager / Engineer - \$156/hour • Field Engineer / Designer \$140/hour • Project Manager / Consultant - \$148/hour • Sr. Specialist - \$164/hour • Sr. RoW Agent - \$164/hour • Environmental Agent / Biologist - \$164/hour • Administrative Support / Coordinator - \$84/hour • Field / GIS Drafter Technician - \$100/hour Field / GIS Drafter Analyst - \$76/hour	\$100,000
(8)	Repair and restoration services (Actual Cost X 10% Adm. Fees)	\$60,000
(9)	HVAC and Batteries (Actual Cost X 10% Adm. Fees)	\$13,700
(10)	Hardware and software maintenance and support (Actual Cost X 3% Adm. Fees)	\$45,000
(11)	Emergency Repair On-Call Support Services (Actual Cost)	\$25,000
CONTRACT TOTAL		\$1,223,719

Recommendation

Staff recommends approving this change order which allows the District to continue to partner with NoaNet to provide high quality and cost-effective broadband services to our community with a focus on generating net positive cash flow.

Fiscal Impact

The 2026 Broadband budget includes sufficient funds to cover base NoaNet NCS expenses as well as for repair/restoration services, HVAC/battery maintenance, hardware/software maintenance, and emergency repair on-call support services. Expenses for system planning, special projects, and unanticipated repair costs may require a budget amendment depending on net expenses after revenues are realized.



CONTRACT CHANGE ORDER

Contract #: 23-46-21

Change Order #: 4

Vendor Name: Northwest Open Access Network (NoaNet)

E-Mail: cnelsen@noanet.net

Effective Date: 1/1/26

Contract Work Manager: Chris Folta

Contract Title: Network Coordinated Services (NCS)

Change Order Description:

Extend Contract through December 31, 2026, to provide Network Coordinated Services, increase the contract not-to-exceed amount by \$1,223,719.00; bringing the new not-to-exceed amount to \$3,701,157.00 plus Washington State Sales Tax.

Change order Total:	\$1,223,719.00
Original Contract Total:	\$2,471,938.00
New Contract Total:	\$3,701,157.00

EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE CONTRACT REMAIN UNCHANGED AND IN FULL FORCE AND AFFECT
The District is a public entity subject to the disclosure requirements of the Washington Public Records Act of RCW 42.56.

**PUBLIC UTILITY DISTRICT NO. 1
OF BENTON COUNTY**

NORTHWEST OPEN ACCESS NETWORK

BY:

BY:

PRINT:

PRINT:

TITLE:

TITLE:

DATE:

DATE:

COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2025	
Subject:	2026 Affiliations List	
Authored by:	Keith Mercer	Staff Preparing Item
Presenter:	Keith Mercer	Staff Presenting Item (if applicable or N/A)
Approved by:	Keith Mercer	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager/Asst GM

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
☐ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☒ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☐ Contract/Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion to approve memberships, estimated dues and fees associated with District affiliations as presented at the December 9, 2025 Commission Meeting for a one-year term from January 1, 2026 through December 31, 2026.

Background/Summary

It is the District's policy to maintain a listing of memberships in civic and service organizations for approval by the Commission annually.

In addition to civic and service organizations, the District maintains a list of professional society memberships, certifications, and industry associations to which the District pays dues or membership fees.

The attached listing includes a description of the organization and the benefits received by the District.

Recommendation

Staff recommends the Commission approve the annual list of associations that the District and its employees will be affiliated with in 2026.

Fiscal Impact

The estimated cost for 2026 memberships is \$552,595. An estimated amount for the cost of affiliations has been included in the 2026 budget.

**Benton PUD 2026 Affiliations List
December 9, 2025**

Organization	Member(s)	2026 Dues (2026 Proposed Budget)	Type of Affiliation	Description of Organization	Membership Benefits to BPUD What the District gets (e.g. training, access to resources, technical updates, professional networking opportunities, coordination efforts, legislative updates, helping the District promote industry relevant topics)	2025 Dues (2025 Original Budget)	Variance
General Guidance				Who they are, Why they exist, What they do			
AICPA (American Institute of CPA's)	Meyer, Zirker	\$710	Professional Association	The AICPA is a national professional association of CPAs in public practice, industry, government, and education that is established to develop the professional practice of accountancy, encourage high professional standards, cultivate networking among accountants, represent the CPA profession, and promote a better understanding to the public services rendered by CPAs.	This membership benefits the District by providing access to publications and research and training at seminars. The membership provides two publications, a monthly Journal of Accountancy (professional magazine) and The CPA Letter (a news report covering the latest developments, products and services).	\$700	\$10
APPA (American Public Power Assoc.) Demonstration of Energy & Efficiency Developments (Deed) Program	District (Johnson)	\$4,600	Industry & Business Association	The Demonstration of Energy & Efficiency Developments (DEED) Program is the only research and demonstration program funded by and for public power utilities. Established in 1980, DEED is dedicated to improving the operations and services of public power utilities by supporting and demonstrating innovative activities.	Through its DEED membership, the District funds research and development of projects that will develop and demonstrate new technologies and techniques in energy efficiency. In addition, the District may apply for grants for its own innovative energy efficiency projects. Members receive The DEED Digest, a quarterly publication which delivers findings from DEED grant and technical projects. DEED also provides members a forum for the dissemination and discussion of information resulting from the program and recognizes significant achievements by DEED utility members.	\$4,600	\$0
APPA (American Public Power Assoc.) Member Dues	District	\$55,290	Industry & Business Association	The American Public Power Association represents utilities throughout the United States on a variety of issues and provides political support on issues that relate directly to Benton PUD and the northwest.	The annual meeting and legislative rally is attended by a member of our Commission and various staff members. They provide excellent representation on federal issues related to public power. Other meetings are attended if necessity indicates. They also are a resource for data about utilities across the nation which is helpful for performance measures and other comparisons. They are also a resource for customer communications materials.	\$51,280	\$4,010
Arborist Re-Certification (Pacifi Northwest Chapter of ISA, and Utility Arborist Association)	Cramer	\$250	License & Professional Association	This certification is continuing education program that focuses on providing value to Arborist with the knowledge and skills to care for trees and vegetation.	The District has access to the necessary training to maintain a professional arborist certification. There are technical and professional resources available.	\$250	\$0
ARMA (American Record Mgmt. Assoc.)	Drake	\$210	Professional Association	The American Records Mgmt. Assn. is a national organization that provides resources, training and certifications in the records management area. ARMA is considered the national resource for peer networking, training and annual conferences. The courses and seminars provide for public agency trends, analysis and networking.	Records management employees attend training through webinars, on-line courses and annual conferences to keep up to date with records management requirements and best practices. Peer networking is essential for records management as it continues to evolve through technology and legal requirements.	\$200	\$10
ASIS International	Ciarlo, Anthony	\$265	Professional Association	Offers education programs, publications and events for security professional, along with certificate program options	Provide the District value as we strive to improve our physical security posture around our campuses.	\$265	\$0
AWC (Association of Washington Cities)	District (McKenzie)	\$1,000	Industry & Business Association	Founded in 1933, the Association of Washington Cities (AWC) is a private, non-profit, non-partisan corporation that represents Washington's cities and towns before the state legislature, the state executive branch and with regulatory agencies.	AWC's associate membership provides a direct link to Washington's cities and the decision-makers in city hall through publications and research reports, participation in workshops and conferences, notice of city-related activities and more. The AWC provides information to members regarding application of state laws to various activities.	\$500	\$500
Cisco Certified Network Professional	Bonney, Holgate, Homer	\$434	Professional Association	Cisco is the single largest supplier of networking equipment. The District heavily utilizes this vendor and relies on their equipment for our infrastructure.	The Cisco certification benefits the District by providing a higher level of knowledge and competency around their technology.	\$0	\$434

**Benton PUD 2026 Affiliations List
December 9, 2025**

Organization	Member(s)	2026 Dues (2026 Proposed Budget)	Type of Affiliation	Description of Organization	Membership Benefits to BPUD	2025 Dues (2025 Original Budget)	Variance
CRTPG (Columbia River Treaty Power Group)	District (Henderson)	\$3,750	Industry & Business Association	CRTPG is advocating for a fair and equitable outcome of a modernized treaty on behalf of electric rate payers throughout the Northwest. In September 2024 the flood control provisions of the Columbia River Treaty automatically change. At this time Canada will no longer be obligated by the Treaty to provide primary flood control on the Columbia River. A dramatic change with will require the U.S. to pay Canada whenever the U.S. "calls upon" Canada for flood control operations.	The "Canadian Entitlement" provision within the Columbia River Treaty is impacting resource adequacy and reliability of the grid.	\$3,750	\$0
CSRIA (Columbia Snake River Irrigators Assoc.)	District (Henderson)	\$4,400	Industry & Business Association	The CSRIA works to enhance access to new water supplies for its irrigation, industrial and municipal members. They support water resource projects that are economically sound and promote the direct interests of water right holders and the communities that serve their economic base.	As a CSRIA member, the District is able to network with irrigation customers, of which some are Key Accounts, as well as keep up-to-date on local and regional political issues that affect these customers.	\$4,400	\$0
CWPU (Central Washington Public Utilities)	District	\$25,000	Industry & Business Association	Group of 7 utilities formed for purpose of joint labor negotiations and benefits. This membership enables the District to acquire benefits as part of a larger, more attractive group. The majority of the District's labor negotiations are handled jointly through this group, which minimizes the amount of local negotiations needed.	Group of 7 utilities formed for purpose of joint labor negotiations and benefits. This membership enables the District to acquire benefits as part of a larger, more attractive group. The majority of the District's labor negotiations are handled jointly through this group, which minimizes the amount of local negotiations needed.	\$30,000	(\$5,000)
FWEE (Foundation for Water & Energy Education)	District (Henderson)	\$500	Industry & Business Association	The Foundation for Water & Energy Education is committed to providing balanced information regarding the use of water as a renewable energy resource in the Northwest.	With our membership we would have access to and participate in and/or help develop: Following Nature's Current: Publication with new emphasis on hydropower's contribution to a carbon-free generation future, mitigation of climate change and how hydropower allows for the integration of wind and solar power. This document was drafted in collaboration with NWAHA, Northwest River Partners and others to assure that this reflects industry wide thinking. Activity Book: Designed for elementary school grades that picks up on the themes of Following Nature's Current. FWEE STEM Hydropower Academy Teacher Training: Designed by North Central ESD, in conjunction with Chelan PUD with teacher training materials for Elementary and Secondary schools. Hydro Appreciation Day	\$500	\$0
GFOA (Government Finance Officers Association)	Meyer (Primary)	\$280	Professional Association	The Government Finance Officers Association is a very large national organization that provides technical training in the areas of governmental accounting standards, treasury, rating agencies, risk management, and performance measurement. A significant number of governmental organizations belong to this organization as it is a leader at addressing issues important to government finance.	This membership benefits the District by providing access to publications and research, and training at national seminars at significantly reduced cost. The primary membership is \$230. Subsequent memberships are at a reduced cost.	\$280	\$0
GMEI Maintenance Fee	Johnson	\$125	Certificate	GMEI stands for Global Market Entity Identifier It's part of the Legal Entity Identifier (LEI) system, which was established after the 2008 financial crisis to bring transparency to financial markets..	Benton PUD uses OATI platforms for energy trading, transmission scheduling, and market participation. The GMEI is often required to uniquely identify Benton PUD as a market participant, comply with Dodd-Frank Act, and other financial/energy market regulations. The maintenance fee is essentially the annual subscription to keep Benton PUD's GMEI active and compliant.	\$125	\$0

**Benton PUD 2026 Affiliations List
December 9, 2025**

Organization	Member(s)	2026 Dues (2026 Proposed Budget)	Type of Affiliation	Description of Organization	Membership Benefits to BPUD	2025 Dues (2025 Original Budget)	Variance
HBA (Home Builders Association Kennewick)	District (Johnson)	\$450	Industry & Business Association	The Home Builders Association of Tri-Cities exists so that members of the residential construction industry and related businesses can conduct their businesses efficiently and ethically to provide our community reliable & affordable homes. To work towards achieving this mission, HBA staff will monitor government affairs concerning land use, the environment, affordable housing and building codes by promoting balanced policies that accommodate responsible free-market demand and consumer choice. Supporting economic development and a market-driven approach to housing are two ways in which the HBA works to promote a strong economy and protect housing affordability.	HBA works with the District to help promote our conservation programs teaming up with green built energy efficient homes, trainings including first aid card certification, parade of home events, etc.	\$450	\$0
IEEE (Institute of Electrical Electronics Engineers)	Berven, Dunn, Edwards, Hunter, Mitchell, Norton, Scherer, VanFossen	\$1,979	Professional Association	IEEE (Institute of Electrical and Electronics Engineers), is a professional organization dedicated to the educational and technical advancement of electrical and electronic engineering, telecommunications, computer engineering and allied disciplines. IEEE produces regular publications and other information sources for professional development and is a leading developer of consensus standards in the electrical industry.	Access to IEEE publications and standards. Source of information on emerging technologies and engineering practices. Discounted prices on standards, conferences & events.	\$1,953	\$26
IIMC (International Institute of Municipal Clerks)	Drake, McKenzie	\$450	Professional Association	The International Institute (IIMC) is a professional, nonprofit association that promotes continuing education and certification through university and college-based institutes and provides networking solutions, services and benefits to its members worldwide. IIMC's primary goal is to actively promote the continuing education and professional development of municipal clerks through extensive programs, certification, publications, networking, annual conferences and research. As an educational catalyst, IIMC inspires clerks to expand and advance beyond their present levels of development. IIMC also engages in municipal research administration, enhances critical professional skill development and fosters a spirit of mutual assistance and good fellowship among municipal clerks around the globe.	As a Municipal Clerk, you are continually asked to produce more with less. There are always too many questions and not enough answers. IIMC is your source for education programs, technical support, resources and publications. Your membership opens many doors including: Advanced Academy; Annual Conference; Certification Program; Education; Networking; Professional Support; Publications; Resource Center. IIMC helps you find solutions to everyday problems, enhance critical professional skills and improve your performance at work. As a member, you and your municipality can rely on IIMC to help you become more efficient and productive. Required membership for 2 years with IIMC for CMC Certification.	\$450	\$0
IMA (Institute/Certification of Management Accountants) (CMA License)	Meyer	\$290	License	The Institute of Management Accountants is a professional association with a local chapter presence. The IMA provides relevant technical accounting training in its monthly meetings. Additionally, membership in the IMA is required to retain the Certified Management Accountant (CMA) designation (license fees are included in the dues). Similar to the CPA, the CMA Certification demonstrates a high level of technical competence in the area of management accounting, economics, risk management and data management.	This membership benefits the District by providing access to publications and research and training at seminars related to managerial accounting and risk management. Additionally, the CMA certification requires continual professional education training that helps maintain the certificate holders technical competence.	\$290	\$0

**Benton PUD 2026 Affiliations List
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Organization	Member(s)	2026 Dues (2026 Proposed Budget)	Type of Affiliation	Description of Organization	Membership Benefits to BPUD	2025 Dues (2025 Original Budget)	Variance
ISA (International Society of Arboriculture)	Cramer	\$435	Professional Association	International Society of Arboriculture (ISA) is a worldwide professional tree care organization recognized within the industry including utility industry as the world's foremost leader in vegetation management.	As an ISA member, the District has access to the necessary training to maintain a professional arborist certification. There are technical and professional resources available including an annual conference where important information is shared and networking opportunities are enhanced.	\$250	\$185
ISM (Institute of Supply Chain Management)	Ochweri	\$300	Professional Association	ISM-Columbia Basin (ISM-CB) is the Southeast Washington affiliate of the Institute for Supply Management (ISM). A not-for-profit, educational corporation organized: (a) to foster and promote interchange of ideas and cooperation among its members, (b) to promote the study, development, and application of supply chain management, including improved contracting and purchasing methods and practices and all matters related to the foregoing (hereinafter referred to as "the supply chain management profession")	This membership benefits the District by providing access to publications, research and training related to Supply Chain Management. Additionally, the membership provides opportunities for leadership skills and networking with others in utilities and throughout the world, which helps to be prepared for new projects the District is involved in.	\$300	\$0
NAGARA (National Association of Government Archives & Records Administrators)	Drake	\$89	Professional Association	NAGARA is a professional non-profit association located in Washington, D.C. dedicated to the improvement of federal, state, and local government records and information management and the professional development of government records administrators and archivists. Members include county, municipal, and special district governments, state agencies (state records centers, archives and libraries), the National Archives and Records Administration; federal agencies and employees; public universities, and a number of provincial and institutional programs.	Benefits of this membership include professional networking opportunities, records related training and access to records related resources.	\$89	\$0
National Arbor Day Foundation	Cramer	\$75	Industry & Business Association	National Arbor Day Foundation is a 501c3 that promotes tree planting. Their mission is to ensure that forests and reforested and communities are strengthened through trees.	The Foundation administers the Tree Line USA program.	\$75	\$0
NIGP (National Institute of Governmental Purchasing) - Washington Chapter	Ochweri, Lanphear, Brown	\$395	Professional Association	Washington State Chapter for NIGP mission is to develop, support and promote public procurement in the State of Washington and preserve the public trust by providing expertise, direction and leadership for Chapter members and other stakeholders. Their vision is to be the leader in public procurement in the State of Washington and the benchmark for excellence. Values all public procurement professionals and their contribution to public service, professionalism, ethical behavior, customer service, diversity and its benefits, innovation, collaboration and the synergy it provides, and excellence in leadership.	This membership benefits the District by providing access to publications, research and training related to Supply Chain Management. Additionally, the membership provides opportunities for leadership skills and networking with others in utilities and throughout the world which helps to be prepared for new projects the District is involved in.	\$310	\$85
Notary	Drake, Everson, Hightower, McKenzie, Martinez, Ocampo-Guel, Purdom, Reyna, Sensibaugh, Vosahlo, Weller, Willis	\$700	Notary	The Washington State Department of Licensing appoints Notary Publics in accordance with state law. A Notary Public is an official of integrity appointed by state government to serve the public as an impartial witness in performing a variety of official fraud-deterrent acts related to the signing of important documents.	Customer service and project management efficiency is enhanced by having notary capabilities. Right-of-way easements and permits require notarization so having the capabilities to do this at the office or in the field is very beneficial to our customers.	\$550	\$150

**Benton PUD 2026 Affiliations List
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Organization	Member(s)	2026 Dues (2026 Proposed Budget)	Type of Affiliation	Description of Organization	Membership Benefits to BPUD	2025 Dues (2025 Original Budget)	Variance
NWPPA (NW Public Power Association) Membership	District (McKenzie)	\$33,850	Industry & Business Association	NWPPA provides services to its utilities members by arranging for recognized training, networking between its members, and managing the training of the National Utility Training program and the HAMMER facility in Richland, Washington.	A District Commissioner attends monthly meetings of NWPPA and committees formed are also attended by the Commission. Employees also participate in committees. NWPPA represents NW utilities on federal legislative issues. NWPPA offers conference on various topics that provide employees to learn more about topics specific to their jobs. (i.e. Communications conference covers marketing and public relations sessions)	\$31,350	\$2,500
NWRP (Northwest River Partners Media Campaign Ask)	District (Henderson)	\$42,760	Industry & Business Association	Northwest River Partners is a partnership of farmers, electric utilities and large and small businesses in the Pacific Northwest, joined together to ensure that the Columbia and Snake rivers remain living, working rivers. It was founded on the belief that these rivers are the Northwest's greatest natural resource providing residents with clean and affordable electricity, flood control, irrigation for our farm lands, healthy fish and wildlife, maritime trade, and a multitude of recreational opportunities.	Develops annual media campaigns to promote benefits of the hydro system. Communications uses factual and accurate information to counter the misconceptions of the hydro system.	\$40,719	\$2,041
NWRP (Northwest River Partners)	District (Henderson)	\$57,000	Industry & Business Association	Northwest River Partners is a partnership of farmers, electric utilities and large and small businesses in the Pacific Northwest, joined together to ensure that the Columbia and Snake rivers remain living, working rivers. It was founded on the belief that these rivers are the Northwest's greatest natural resource providing residents with clean and affordable electricity, flood control, irrigation for our farm lands, healthy fish and wildlife, maritime trade, and a multitude of recreational opportunities.	Low cost hydropower is the major power source for Benton PUD customers. Provides a member coalition that focuses on issues that impact the federal hydro system. Represents hydro users in Washington DC. Provides communication tools and research for BPUD to use on customer communications. Develops annual media campaigns to promote the benefits of the hydro system. Communications uses factual and accurate information to counter the misconceptions of the hydro system.	\$54,290	\$2,710
OATI	Johnson	\$350	Certificate	Open Access Technology International, Inc. (OATI) is a U.S.-based software and technology company that specializes in solutions for the energy industry. OATI provides mission-critical applications and infrastructure that help utilities, energy markets, and grid operators manage power systems efficiently and securely.	OATI certificates are digital security certificates issued by OATI as a trusted digital ID that allows Benton PUD to securely participate in OATI-operated energy platforms. These certificates are recognized by the North American Energy Standards Board (NAESB) and comply with NERC CIP (Critical Infrastructure Protection) requirements.	\$350	\$0
PLMA (Peak Load Management Alliance)	District (Scherer)	\$2,700	Industry & Business Association	PLMA is a non-profit trade association founded in 1999 and managed by officers elected by board members who represent over 150 member organizations. PLMA does no lobbying and does not accept or distribute charitable donations. PLMA is an organization membership association, it does not have individuals as members. This means that once an organization joins, an unlimited number of the organization's staff are entitled to member benefits. PLMA seeks to advance practical applications of dynamic load management and distributed energy resources by providing a forum where members educate each other and explore innovative approaches to program delivery, pricing constructs, and technology adoption. For two decades, PLMA conferences, educational programs and networking opportunities have brought member organizations together to develop, implement and share proven practices in a peer-to-peer network - offering load management leadership for the energy industry.	PLMA provides access to resources on their website, online interest groups, technical training and hosts two conferences per year. The Advisory level includes 2 free passes annually to attend any PLMA training or conference as well as unlimited registration discounts. There are a couple of demand response training classes offered annually that we should consider attending in the future. The District logo and name will be listed on the PLMA website as a member organization. Advisory level membership includes One Board of Director's seat with full voting privileges.	\$2,700	\$0

**Benton PUD 2026 Affiliations List
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Organization	Member(s)	2026 Dues (2026 Proposed Budget)	Type of Affiliation	Description of Organization	Membership Benefits to BPUD	2025 Dues (2025 Original Budget)	Variance
PNUCC (Pacific NW Utilities Conf. Comm.)	District (Dunn)	\$13,547	Industry & Business Association	PNUCC examines issues that may impact a large portion of its membership, discusses policy issues of regional importance as well as Northwest power industry issues.	PNUCC is a resource on key energy issues. They provide communications materials as well as research including extensive surveys of utilities in the Pacific Northwest. Many consumer owned utilities and investor owned utilities are members.	\$13,547	\$0
PNWA (Pacific Northwest Waterways Inland Ports and Navigation Group)	District (Henderson)	\$14,465	Professional Association	Inland Ports & Navigation Group (IPNG) is an intervener in the FCRPS BIOp lawsuit and was formed as a subset of Pacific Northwest Waterways Association to provide a means by which members can choose to contribute to help fund legal counsel.	In addition to help with funding of the BIOp legal battle, IPNG has an interest in having utility members who can help them with their fact finding and strategy when it comes to defending hydropower as one of the multiple uses of the Columbia Snake River System.	\$24,450	(\$9,985)
PPC (Public Power Council)	District (Dunn)	\$71,215	Industry & Business Association	The PPC mission is to preserve and protect the benefits of the Federal Columbia River Power System for consumer-owned utilities.	PPC represents the common interests of utilities, including the interests for the most part of the District, and serves as a forum to build consensus of energy and utility issues. PPC has a direct influence on BPA budgets and rates.	\$71,215	\$0
Professional Engineers License*	Berven, Dunn, Edwards, Hunter, Mitchell, Scherer	\$625	License	The Washington State Department of Licensing issues PE licenses according to state law which is enforced by the Board of Registration for Professional Engineers and Land Surveyors. The goal of licensing engineers is to safeguard life, health, and property, and to promote public welfare.	A Washington State PE license is a requirement for the Director of Engineering at Benton PUD and for Senior Engineer positions. The District provides engineering services to the general public which requires the work to be overseen by a licensed engineer.	\$995	(\$370)
SCWMCA (South Central Washington Municipal Clerks Association)	Drake, McKenzie	\$50	Professional Association	The South Central WA Municipal Clerks is a break-off from the WAMC (WA Municipal Clerks) to only include local clerks in South Central, WA (for example: City of Kennewick, West Richland, Richland, Benton County, etc.) Being a part of this group will allow myself and the District to be more focused and involved with local clerks and more focused in local questions and happenings in our communities.	Training, access to resources, professional networking opportunities, coordinate efforts, legislative updates, and helping the District promote industry relevant topics, etc.)	\$50	\$0
SEPA (Smart Electric Power Alliance)		\$5,000		A nonprofit organization that facilitates the transition to a clean and carbon-free energy system through education, research, standards, and collaboration. Smart Electric Power Alliance (SEPA) is a national nonprofit organization dedicated to helping electric utilities transition to a clean, modern, and resilient energy future. SEPA brings together utilities, technology providers, policymakers, and industry leaders to accelerate the deployment of renewable energy, grid modernization strategies, and innovative customer-centric solutions. Their work focuses on research, collaboration, and practical guidance that supports the evolving electric power sector.	Membership in SEPA provides the District with access to high-quality training, technical resources, and up-to-date industry research related to emerging technologies and grid modernization. SEPA also offers professional networking opportunities with peer utilities, supports coordination on best practices, and delivers timely policy and legislative updates relevant to public power. Through SEPA's forums and working groups, the District can promote industry-relevant topics, collaborate on shared challenges, and strengthen its strategic planning and operational capabilities.	\$5,000	\$0
SHRM (Society for Human Resources Management)	Dunlap, George, Melling	\$1,150	Professional Association	Founded in 1948, the Society for Human Resource Management (SHRM) is the world's largest HR membership organization devoted to human resource management. Representing more than 275,000 members in over 160 countries, the Society is the leading provider of resources to serve the needs of HR professionals and advance the professional practice of human resource management. SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China, India and United Arab Emirates.	SHRM membership provides HR staff members with HR tools and resources through their online knowledge center, toolkits, sample forms, information on HR disciplines and legal and compliance resource, as well as access to research reports and networking opportunities through SHRM sponsored forums and training opportunities. SHRM Membership helps keep HR Staff up-to-date on current and relevant HR topics and strategy affecting any organization with ever changing disciplines such as: benefits, business leadership & strategy, compensation, consulting, diversity, employee relations, ethics & corporate social responsibility, global HR, labor relations, organizational & employee development, safety & security, staffing management and technology.	\$1,014	\$136

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TRIDEC (Tri-City Economic Development Council)	District (Dunn)	\$20,000	Industry & Business Association	The economic changes ahead pertaining to the Hanford site will have a significant impact on our community and in turn, on Benton PUD. TRIDEC is the lead organization in the community for tackling these issues.	TRIDEC works to bring in businesses to the area, impacting BPUD's growth. By working closely with TRIDEC, we are better informed on the economic impacts of the area. TRIDEC also provides us a forum to network with our customers, community leaders and elected officials. Remaining aware of efforts to attract new loads keeps us apprised of potential upgrades to our distribution system and power supply needs.	\$20,000	\$0
UAI (Utility Analytics Institute)	McMahon	\$8,500	Industry & Business Association	The mission of the Utility Analytics Institute (UAI), a division of Informa Business Media, Inc., is to accelerate the adoption, advancement, and utilization of analytics, enabling utilities to operate more, safely, reliably, and efficiently. Membership is comprised of public and private utilities that are seeking to share analytics use cases, methods, code and technologies to promote the use of data science to help interrogate and utilize corporate data in meaningful ways.	The District benefits from membership by having two senior staff members participate on UAI's Executive Advisory Board where decisions are made regarding the mission, strategy, and direction of UAI. The District also receives two complimentary passes to each of two annual data analytics conferences sponsored by UAI that focus on utility-centric analytics. Finally, members receive unlimited access to an online library of data analysis use cases, databases, presentations, and webinars as well as the opportunity to collaborate with other member utilities in subject specific areas, such as safety, electrical distribution automations, customer engagement, and more.	\$8,400	\$100
WA State Board of Accountancy (CPA License)*	Herrington, Meyer, Zirker	\$330	License	The Washington State Board of Accountancy issues and monitors CPA licenses. Earning a CPA license demonstrates a high level of technical competence in the area of financial reporting and analysis. The District must address numerous accounting issues each year that require detailed knowledge of both financial and governmental accounting standards.	This membership benefits the District by encouraging high professional standards for District employees as well as providing access to publications and research and training at seminars. This license is preferred or required for several positions. Additionally, the CPA certification requires continual professional education training that helps maintain the license holders technical competence.	\$330	\$0
WA State Electrical Licenses	District	\$500	License	The Washington State Department of Labor & Industries requires individuals working near transmission and distribution electrical systems, control systems, or small electrical systems within Washington State to be certified.	Maintaining a Washington State Electrical license ensures that certain craft employees stay actively engaged in ongoing professional development through required training, continuous access to updated technical resources, and exposure to the latest NEC and industry standards. It keeps them current on legislative or regulatory changes that impact electrical work in Washington, while also supporting opportunities for professional networking with other licensed electricians, industry groups, and training organizations. Overall, keeping the electrical license active helps promote awareness of emerging technologies, reinforces safe work practices, supports continued growth within the electrical industry, and helps insure credibility with the public. These licenses are administered by the Washington State Dept. of Labor and Industries.	\$500	\$0
WAPRO (Washington Public Records Officer Association/Membership)	Drake, McKenzie	\$50	Professional Association	WAPRO is a non-profit corporation founded to provide education in support of the Washington Public Records Act and to provide a forum for public records officers and others in responding to public records requests. WAPRO provides for semi annual training and a certification program.	The Public Records Officer and Records Program Administrator gain valuable education and peer networking with others relating to public records compliance. The Records Program Administrator has earned the CPRO designation through WAPRO. Public records training is mandated by state law.	\$50	\$0

**Benton PUD 2026 Affiliations List
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Organization	Member(s)	2026 Dues (2026 Proposed Budget)	Type of Affiliation	Description of Organization	Membership Benefits to BPUD	2025 Dues (2025 Original Budget)	Variance
WMCA (Washington Municipal Clerks Association)	Drake, McKenzie	\$200	Professional Association	Founded in 1970, WMCA is a non-profit association that promotes the professional and education standards of Municipal Clerks, County Clerks, and Transit Board Clerks in various local governments of the State of Washington. It is also our objective to provide improved local governmental services in the State and to promote the objectives and fulfill the organizational purposes defined in the Constitution of the International Institute of Municipal Clerks. There is valuable information available to WMCA members only, such as Discussion Forum and New Member/Clerk Resources.	Training, Access to resources, Professional networking opportunities, coordination efforts, legislative updates, helping the District promote industry relevant topics.	\$200	\$0
World at Work	Dunlap, George	\$550	Professional Association	Founded in 1955, World at Work continues to set the standard in education and certification for human resources professionals in the areas of compensation, sales compensation, executive compensation, benefits, work-life and total rewards. With nearly 30,000 members in more than 100 countries, World at Work has continued to offer relevant education and resources to practitioners, consultants and academia around the world.	Benefits to the District relating to this membership include: 1) HR access to online resources such as DOL opinions and wage charts, up-to-date and current information on health care reform implementation and other pending legislation affecting employers; 2) Access to World at Work research and survey results; 3) Tools and sample documents that can be customized to District specifications; 4) News and information related to HR disciplines, US Public Policy, publications regarding trends and contemporary issues in the workforce and other articles relating to total rewards topics; 5) Education in the form of free skill-building seminars and public policy webinars, reduced rates on certification preparation courses and networking opportunities through the World at Work Local Network.	\$550	\$0
WPTA (Washington Public Treasurers Association)	Grandgeorge, Mercer	\$100	Professional Association	WMTA is a professional association of Municipal Treasurers providing education, opportunities for information networking, professional recognitions and legislative advocacy. WMTA works to advance and improve the treasury profession and promote cooperation between state, county and local agencies.	Members receive a quarterly newsletter, The Money Clip, which provides information and educational articles. An annual conference brings participants together for roundtable discussions on current topics. This membership benefits the District by providing access to training, publications and networking with other local governments.	\$80	\$20
WPUDA (WA Public Utilities District Association)	District	\$168,726	Industry & Business Association	WPUDA represents 27 nonprofit, community-owned utilities that provide electricity, water and wastewater services, and wholesale telecommunications to more than almost one-million residential, business, and industrial customers in communities across the State of Washington.	WPUDA represents PUDs in state, regional and national legislative and policy processes; provides information about PUDs and policy issues to members and the public; offers training and development programs for utility leaders; and provides opportunities for PUD leaders and staff to meet, share information, and plan cooperative activities.	\$159,226	\$9,500
WSCPAs (WA State Society of CPAs)	Herrington, Meyer, Zirker	\$950	Professional Association	The WSCPAs is a state profession association of CPAs in public practice, industry, government, and education that is established to develop the professional practice of accountancy, encourage high professional standards, cultivate networking among accountants, represent the CPA profession, and promote a better understanding to the public of services rendered by CPAs.	This membership benefits the District by providing access to publications and research, and training at seminars at reduced cost. It also encourages and supports high professional standards for District employees.	\$910	\$40
WSU Power Systems Engineering Program	District	\$8,000	Industry & Business Association	Washington State University Power Engineering Partner (PEP) Program is affiliated with the universities electrical engineering department. The PEP's main objective is to enhance the power engineering component of the electrical engineering department.	The value to the District as a member investor includes priority access to student resumes and an online venue for job postings and internships. The District is also able to promote job openings through WSU material and alumni connections. The District and other participating members also receive a position on the advisory board, reserve space at college career fairs and other connections to the program and the university.	\$8,000	\$0

**Benton PUD 2026 Affiliations List
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Organization	Member(s)	2026 Dues (2026 Proposed Budget)	Type of Affiliation	Description of Organization	Membership Benefits to BPUD	2025 Dues (2025 Original Budget)	Variance
Remove - IEEE Cyber Security	Holgate	\$0	Professional Association	IEEE (Institute of Electrical and Electronics Engineers), is a professional organization dedicated to the educational and technical advancement of electrical and electronic engineering, telecommunications, computer engineering and allied disciplines. IEEE produces regular publications and other information sources for professional development and is a leading developer of consensus standards in the electrical industry.	Access to IEEE publications and standards. Source of information on emerging technologies in cybersecurity engineering, privacy and security. Discounted prices on standards, conferences, events, trainings and publications.	\$500	(\$500)
Remove - PRSA-Mid Columba Public Relations Society of America-Mid Columbia	Henderson, Sidwell	\$0	Professional Association	The Public Relations Society of America is a professional organization which offers seminars, articles, newsletters, etc. in the area of communications, marketing, public relations and similar. (prsa.org)	It's a professional organization and great for networking, keeping sharp on trends, and continuous learning. The local chapter is new in the Tri-Cities and is being formed by a local group that has been meeting informally for years.	\$285	(\$285)
Remove - Rotary Club of Tri-Cities Sunrise	Sanders	\$0	Civic	The collective leadership and expertise of our 1.2 million members helps us tackle some of the world's biggest challenges, locally and globally. We are united by common values and vision for the future as we sharpen our focus with targeted specific causes that will reach communities most in need.	Enhance local and global impact by promoting peace, fighting, disease, providing clean water, saving mothers and children, supporting education and growing local economies.	\$600	(\$600)
Total		\$552,595				\$546,878	\$5,717

COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2025	
Subject:	Resolution No. 2715 Adopting the 2026 Budget	
Authored by:	Keith Mercer	Staff Preparing Item
Presenter:	Keith Mercer	Staff Presenting Item (if applicable or N/A)
Approved by:	Keith Mercer	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager/Asst GM

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
☐ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☒ Business Agenda	☒ Pass Resolution	☐ Info Only
☐ Public Hearing	☐ Contract/Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion to adopt Resolution No. 2715 adopting the 2026 Budget.

Background/Summary

The 2026 Preliminary Budget document was distributed to the Commission on November 6, 2025. The Commission held a public hearing on the 2026 rate increase and preliminary budget. The public comment period opened on November 12, 2025 and closed on December 2, 2025. Since the public hearing, staff received one comment on November 14, 2025, via email from an individual who also attended the public hearing. They requested additional information regarding the District's Load Following contract with Bonneville Power Administration (BPA), the energy production assumptions used, the District's cybersecurity measures, and expressed concern about the demand charge rate increase.

Staff has reviewed both expenses and revenues and the following revisions were made to the preliminary 2026 budget that was presented at the public hearing.

- **Retail Revenues:** Did not change.
- **Net Power Expense:** Increased \$1,670,258 broken down as follows:
 - \$1,343,279 for the BPA fiscal year 2026 Financial Reserve Policy (FRP) Surcharge that was announced on November 13, 2025.
 - \$299,508 for additional renewable energy credit (REC) purchases.
 - \$27,471 other miscellaneous adjustments.
- **Non-Power Operating Expenses:** Did not change.
- **Net Capital:** Did not change.
- **Debt Service:** Did not change.

Recommendation

Staff recommends adopting the 2026 Budget to establish the allocation of resources within which the District will execute its Strategic and Operating Plans.

Fiscal Impact

Adoption of the 2026 Budget will provide the basis for the allocation of resources to achieve the objectives set forth in the 2026-2030 Strategic Plan approved on November 12, 2025. The amount of each budget category is summarized in Attachment #1 of the resolution and detailed in the 2026 Budget document.

RESOLUTION NO. 2715

December 9, 2025

**A RESOLUTION OF THE COMMISSION OF
PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY
ADOPTING THE 2026 BUDGET**

WHEREAS, Public Utility District No. 1 of Benton County (the “District”) has developed an integrated planning process that links high-level plans with subordinate plans, budgets, and rate-setting; AND

WHEREAS, the District records all financial transactions within a single proprietary fund. The District has no governmental funds with legally adopted budgets that carry the force of law; AND

WHEREAS, Resolution No. 2657, *District Financial Policies*, adopted February 13, 2024, sets forth financial goals for the District which, among other requirements, provide that the Commission shall approve total amounts for each of five budget categories, including Revenues, Net Power Expense, Non-Power Operating Expenses, Net Capital Additions, and Debt Service; AND

WHEREAS, the Commission approved the rolling five-year Strategic Plan for 2026-2030 on November 12, 2025. Annually, the Executive Team and Commission review the Strategic Actions and Drivers of Action (Strategic Environmental Factors) associated with each of the five Strategic Goals and update them as needed; AND

WHEREAS, the annual budget establishes the allocation of resources within which the District will execute its strategic plans, operating plans, and priority actions; AND

WHEREAS, the Commission held a public hearing on the preliminary 2026 budget on November 12, 2025, and accepted public comments through December 2, 2025; AND

WHEREAS, staff received one comment on November 14, 2025, via email from an individual who also attended the public hearing. They requested additional information regarding the District’s Load Following contract with Bonneville Power Administration (BPA), the energy production assumptions used, the District’s cybersecurity measures, and expressed concern about the demand charge rate increase; AND

WHEREAS, staff has reviewed both expenses and revenues and the following revisions were made to the preliminary 2026 budget that was presented at the November 12, 2025, public hearing:

- **Retail Revenues** did not change.
- **Net Power Expenses** increased by \$1,670,258, primarily due to the inclusion of the BPA's fiscal year 2026 Financial Reserve Policy (FRP) Surcharge announced on November 13, 2025, as well as additional renewable energy credit (REC) purchases for 2026 and other small miscellaneous adjustments.
- **Non-Power Operating Expenses** did not change.
- **Net Capital** did not change.
- **Debt Service** did not change; AND

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Benton County that the 2026 Budget, with projected revenues (excluding wholesale power sales and capital contributions) of \$153,815,792, net power expenses (including wholesale power sales) of \$87,033,811, non-power operating expenses (excluding interest expense) of \$60,950,658, net capital additions of \$25,252,311, and debt service (including principal and interest on debt) of \$5,573,892 be adopted.

BE IT FURTHER RESOLVED that most of the 2026 Budget expenditures are categorically exempt in accordance with the SEPA Amended Guidelines adopted by the District in Resolution No. 1514, dated March 11, 1997. Those expenditures not categorically exempt have already been covered by an EIS or will be covered by an Environmental Assessment at a later date by whomever is determined to be the lead agency.

ADOPTED By the Commission of Public Utility District No. 1 of Benton County at an open meeting, with notice of such meeting being given as required by law, this 9th day of December 2025.

Jeffrey D. Hall, President

ATTEST:

Michael D. Massey, Secretary

Attachment #1
Public Utility District No. 1 of Benton County
2026 BUDGET

December 9, 2025

Description	Revenues (1)	Net Power Expense (2)	Non-Power Operating Expense (3)	Net Capital Additions (4)	Debt Service (5)
Operating Statement	\$153,861,365	\$89,079,384	\$60,950,658	\$0	\$3,375,391
Interest Income	2,000,000	-	-	-	-
Other Income	-	-	-	-	(226,587)
Debt Discount & Expense Amortization	-	-	-	-	(504,912)
Gross Capital Plan	-	-	-	31,813,669	-
Capital Contributions	-	-	-	(6,561,358)	-
Subtotal per Budget Document	155,861,365	89,079,384	60,950,658	25,252,311	2,643,892
Adjustments to Financial Policy Categories					
Energy Sales for Resale	(2,045,573)	(2,045,573)	-	-	-
Debt Service Principal	-	-	-	-	2,930,000
Total Budget by Category	\$153,815,792	\$87,033,811	\$60,950,658	\$25,252,311	\$5,573,892

Budget Categories

- (1) Revenues excluding wholesale power sales and capital contributions.
(2) Net Power Expenses including wholesale power sales.
(3) Non-power Operating Expenses excluding interest expense.
(4) Net Capital Additions including capital contributions.
(5) Debt Service including principal and interest on debt less subsidy on Build America Bonds.

COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2025	
Subject:	Authorizing General Manager to proceed with developing plans to issue up to \$32 million in bonds and to evaluate potential refunding opportunities for the District's 2016 Bonds	
Authored by:	Keith Mercer	Staff Preparing Item
Presenter:	Keith Mercer	Staff Presenting Item (if applicable or N/A)
Approved by:	Keith Mercer	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
☐ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☒ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☐ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion directing the General Manager, on behalf of the District, to develop plans for issuing up to \$32 million in bonds and to evaluate potential refunding opportunities for the District's 2016 bond issue that may generate savings. Any bond issuance or refunding action will require subsequent Board approval.

Background/Summary

Staff recommends issuing bonds to simultaneously accomplish the following objectives:

- Maintain the Strategic Capital Program to develop a 21st Century Power Grid
- Maintain adequate financial metrics and credit rating
- Reduce the magnitude of future rate increases

Strategic Capital Program

The District developed a strategic capital plan to build a 21st Century Power Grid which included the following:

- Building and upgrading transmission lines to improve reliability and safety
- Building and upgrading substations to modernize protection and controls, replace aged infrastructure and to provide electrical capacity to meet steady customer growth and economic development activities
- Distribution improvements to increase operational visibility through automation, replace aged infrastructure and ensure adequate capacity for customer growth and contingency operations

The 2026 – 2030 net capital plan, adopted as part of the 2026 budget process, is \$101.3 million which includes \$77.7 million for Distribution projects and \$16.9 million for Transmission projects including Sunset to Dallas Road and the Weber Canyon to Prosser Transmission lines.

Recent capital plans have risen noticeably, largely due to inflationary pressures on materials and the increasing capital required to replace and modernize aging infrastructure, such as substation transformers and critical facility security systems.

Primary Purpose of bonds

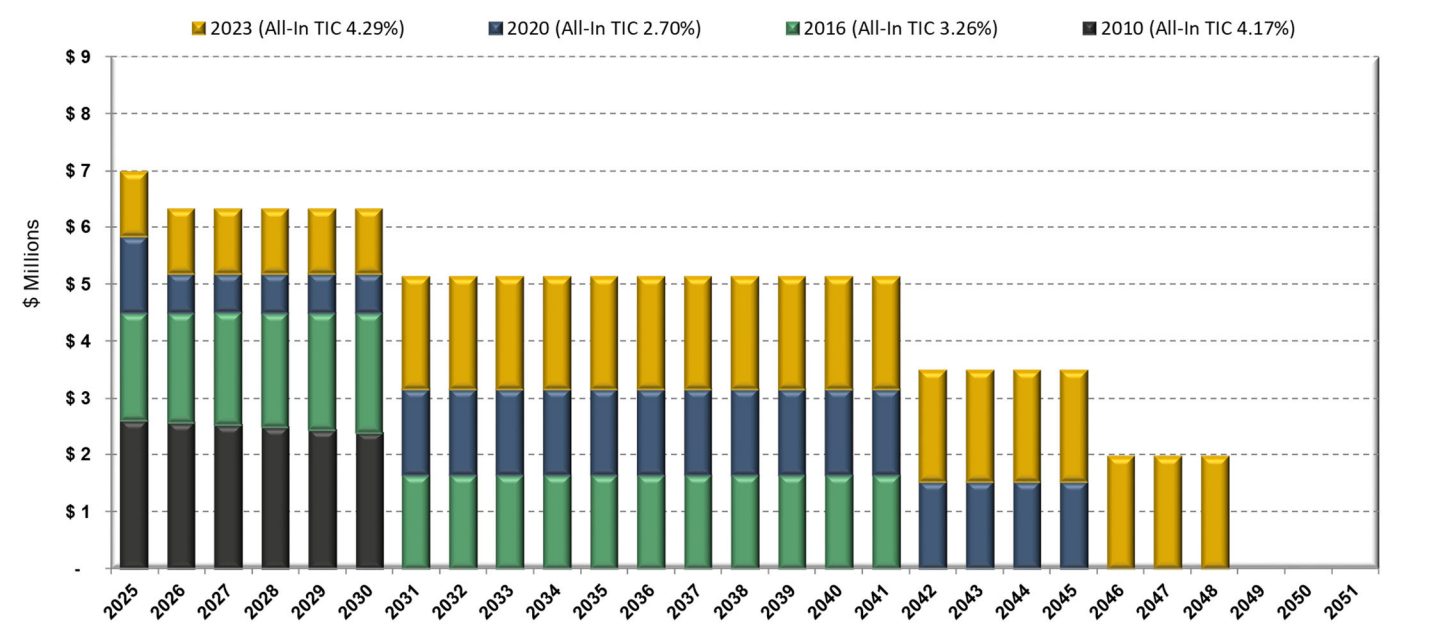
The primary purpose of issuing bonds is the fair apportionment of costs to ratepayers. These projects are for long-lived assets that benefit current and future ratepayers. The repayment of bonds is matched more closely to the periods in which the benefits will be recognized.

History and Policy

Staff has learned from rating agencies and been advised by its financial advisor that a debt to capitalization ratio (the “debt ratio”) of 40% or higher for a distribution utility can have a negative impact on credit ratings. As a result, the District’s policy is conservative and sets a limit on the debt ratio of 38% (with exceptions for special circumstances like a generation asset).

The District has historically issued bonds about every four to five years and has had a conservative debt ratio. Just prior to issuing bonds in 2023 the debt ratio was 26%. It increased to 31% after the 2023 bond issue. Currently, the debt ratio is projected to be 26% at the end of 2025. A \$32 million bond issue in 2026 will increase the debt ratio to 32%. This is well below policy limits.

The District has also structured bond issues in a conservative manner to have a front loaded annual debt service stack. Currently, the annual debt service is about \$6.3 million which is already built into retail rates. The annual debt service drops in the future as existing bonds are paid down, creating capacity for new bond issuances while keeping total annual debt service increases modest and manageable.

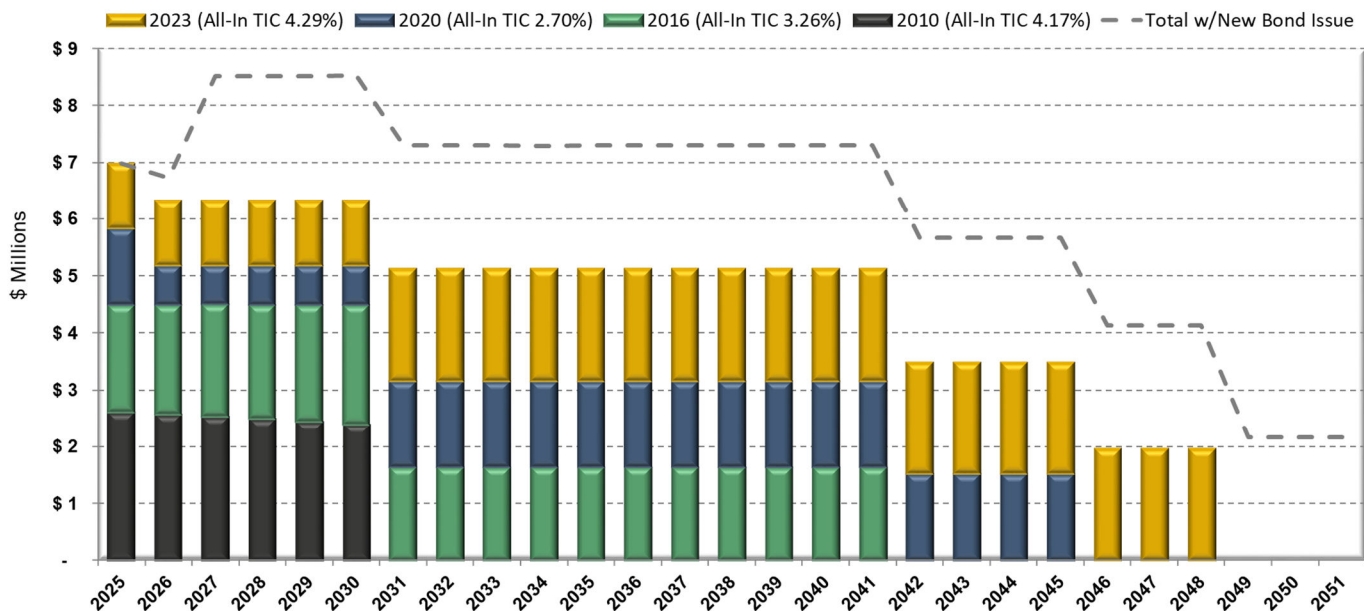


Financial Position

Benton PUD's financial position remains strong, supported by disciplined cost management and long-term planning. The District went nearly five and a half years without a rate increase (October 2019 – April 2025), reflecting exceptional financial performance during that period.

Looking forward, Benton PUD anticipates modest annual rate increases over the next several years to address rising operating costs, inflationary pressures, and ongoing capital needs. The District has maintained sound financial metrics, achieving and sustaining the highest credit ratings in its history, Fitch AA-, Moody's Aa3, and S&P AA-. At the same time, retail rates remain below the median of Northwest utilities. Taken together, this balanced financial approach has been accomplished by pairing incremental rate adjustments with the periodic issuance of bonds to help fund major capital projects.

Incorporating a \$32 million bond issue into the financial forecast helps moderate the size of future rate increases. While the issuance is expected to raise annual debt service by roughly \$2 million, the overall level remains manageable and gradually declines in future years as older debt rolls off. This structure provides the District with the capacity to fund major capital projects while minimizing the impact on customer rates.

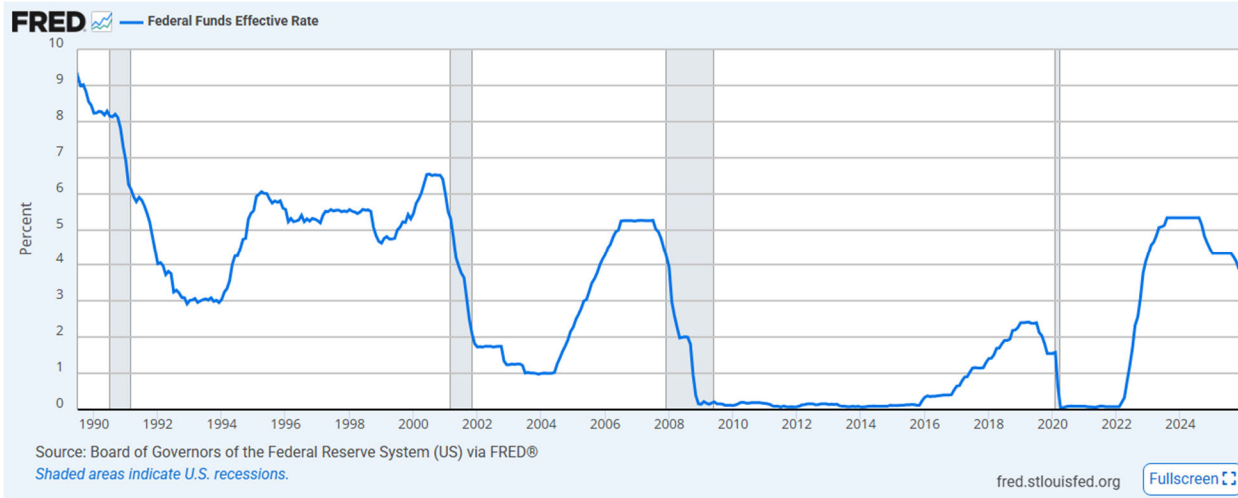


Refunding Opportunities for the 2016 Bonds

As part of the financing plan, staff will also evaluate potential refunding opportunities for the District's 2016 bond issue. Refunding, similar to refinancing a mortgage, may reduce interest costs if market rates are favorable. The District will analyze whether partial or full refunding of the 2016 bonds could generate net present value savings, improve cash flow, or optimize long-term debt service. Any recommended refunding action will be brought to the Board for consideration.

Interest Rates

After climbing sharply through 2023 and peaking in 2024, the Federal Funds Rate (FFR) has declined modestly as inflation continues to ease. The following graph is a history of the FFR since 1990.



Short-term rates remain high, but the yield curve is no longer inverted, as the 10-year Treasury yield has moved above the 2-year Treasury yield, though it remains flatter than historical norms. Even in 2025, long-term municipal bond yields remain below their historical averages, despite being higher than the unusually low levels seen in 2020–2021. For issuers like Benton PUD, this means borrowing costs have increased somewhat from recent lows but remain favorable compared to long-term historical norms.

Bonds typically include a 10-year call provision, allowing the District to repay or refinance the bonds without penalty once the call date is reached. This ensures that if interest rates decline meaningfully in the future, the District can refinance to reduce borrowing costs.

Recommendation

Based on the information above, District staff recommends that the Commission authorize the General Manager to direct staff to develop plans to issue up to \$32 million in bonds and evaluate refunding opportunities for the 2016 bonds to determine whether refinancing could generate savings for the District.

Fiscal Impact

Issuing bonds will spread the cost of critical infrastructure improvements over time, aligning costs with the benefits received by present and future customers. The proposed bond issue will help moderate future rate increases while ensuring the District can continue implementing its Strategic Capital Plan and maintaining strong financial metrics.

COMMISSION AGENDA ACTION FORM

Meeting Date:	December 9, 2025	
Subject:	Resolution No. 2716 Amending Retail Electric Rate Schedules	
Authored by:	Keith Mercer	Staff Preparing Item
Presenter:	Keith Mercer	Staff Presenting Item (if applicable or N/A)
Approved by:	Keith Mercer	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
☐ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☒ Business Agenda	☒ Pass Resolution	☐ Info Only
☐ Public Hearing	☐ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion to adopt Resolution No. 2716 amending Retail Electric Rate Schedules effective April 1, 2026.

Background/Summary

The District has established rate-setting principles and financial policies designed to maintain competitive retail rates while supporting both operating and capital requirements. Although the District's cost-management practices and debt strategy continue to benefit customers, inflationary pressures in materials, equipment, and labor, along with anticipated increases in wholesale power supply costs, are expected to push 2026 expenses beyond what current retail rates can support while still meeting financial policy targets.

In 2025, the District implemented a 5% retail rate increase primarily due to inflation-driven cost pressures. For 2026, rising wholesale power supply costs are the predominant factor. Staff is recommending a 2% increase in retail electric service revenue, effective April 1, 2026, with specific percentage changes varying by customer class (see table below). These recommended adjustments were presented to the Commission as part of the public hearing and final budget adoption process.

Rate Class	Services	Increase**
Residential	48,880	2.5%
Small General Service	5,632	2.1%
Medium General Service	718	0%
Large General Service	91	
Large Industrial	5	
All Irrigation	977	3%
Street Lights	6,092	2%
Security Lights	1,803	10%
Unmetered	400	

**Average overall increase for the Rate Class. Individual impacts will differ according to each customer's demand profile and level of energy use.

Recommendation

Approve Resolution No. 2716 amending Retail Electric Rate Schedules effective April 1, 2026.

Fiscal Impact

2% increase in retail sales starting April 1, 2026.

RESOLUTION NO. 2716

December 9, 2025

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, AMENDING RETAIL RATE SCHEDULES

WHEREAS, the District has established rate-setting principles in Resolution 2458, Adopting Rate Strategy of the District; AND

WHEREAS, the District has adopted financial policies in Resolution 2657, including Policy Number 6, which states: "Maintain competitive retail rates sufficient to meet normal operating and capital requirements, consistent with the financial goals of the District"; AND

WHEREAS, the District's rate-setting principles and financial policies continue to benefit customers, inflationary pressures in materials, equipment, and labor, along with anticipated increases in wholesale power supply costs, are expected to push 2026 expenses beyond what current retail rates can support while still meeting financial policy targets; AND

WHEREAS, in 2025, the District implemented a 5% retail rate increase primarily due to inflation-driven cost pressures. For 2026, however, rising wholesale power supply costs are the predominant factor, as Bonneville Power Administration's (BPA) rate increases, 8.9% for power and 19.9% for transmission, took effect on October 1, 2025; AND

WHEREAS, power supply expenses typically make up 50% or more of the District's annual budget, which means an increase in power supply expenses will directly affect the District's retail rates; AND

WHEREAS, throughout 2025, the Commission received multiple financial updates, culminating in a draft rate recommendation at the November 12, 2025, public hearing. The recommendation proposed a 2.0% revenue increase effective April 1, 2026, with specific percentage changes varying by customer class; AND

WHEREAS, customers were invited to provide comments on the 2026 rate increase beginning at the November 12, 2025 public hearing and continuing through December 2, 2025; AND

WHEREAS, staff carefully considered customer input in developing its final recommendation; AND

(Retail Electric Rate Schedules Attached)

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Benton County that the attached Retail Electric Rate Schedules be approved effective April 1, 2026.

FURTHER BE IT RESOLVED that due to billing system limitations, certain rates and charges are not able to be prorated for billing periods that span April 1, 2026 and will be applied to billing periods that begin on or after April 1, 2026.

FURTHER BE IT RESOLVED that this Resolution supersedes Resolution No. 2691 and replaces all other Resolutions pertaining to the same rate schedules herein.

APPROVED AND ADOPTED by the Commission of Public Utility District No. 1 of Benton County at an open meeting, with notice of such meeting being given as required by law, this 9th day of December, 2025.

Jeffrey D. Hall, President

ATTEST:

Michael D. Massey, Secretary

SCHEDULE 11 RESIDENTIAL

AVAILABLE: In all territory served by the District.

APPLICABLE: To domestic use of electric energy by all residential urban and rural customers which may include community lawn irrigation systems and single family residential swimming pools.

CHARACTER OF SERVICE: Sixty hertz alternating current of such phase and voltage as the District may have available.

RATE:

Daily System Charge:
\$0.66 per day

Monthly Energy Charge:
\$0.0722 per kWh

Monthly Demand Charge:
\$1.54 per kW during Peak Hours

PEAK HOURS: Peak Hours are defined as follows:

- October 1 through April 30, inclusive are Monday through Friday 6:00 a.m. to 9:00 a.m. and 5:00 p.m. to 8:00 p.m. Pacific Time excluding all hours on holidays.
- May 1 through September 30, inclusive are Monday through Friday 5:00 p.m. to 8:00 p.m. Pacific Time excluding all hours on holidays.

HOLIDAYS: Holidays include New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. In the event the holiday falls on a Sunday, all hours during the following Monday will be excluded from the Peak Hours.

BILLING DEMAND: The Demand Charge shall be multiplied by the maximum 1-hour kW demand measured by the District's meter for the Peak Hours during each billing period. The demand measured shall be rounded to the nearest whole number.

MINIMUM MONTHLY BILL: Shall be the daily system charge before any applicable adjustments.

POINT OF DELIVERY: The above rates are based upon the supply of service to the entire premises through a single delivery and metering point. Separate supply for the same customer at other points of consumption shall be separately metered and billed.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District.

SCHEDULE 12 RESIDENTIAL – SECONDARY METER

AVAILABLE: In all territory served by the District.

APPLICABLE: To domestic use of electric energy by all residential customers with a second electrical service (meter) at a service location that is a single-family residence. To qualify for this rate schedule, the second service must meet all of the following criteria: 1) be fed from the same transformer that serves the primary residence, AND 2) be served by a 50 kVa or less sized transformer, AND 3) not be a living space. The secondary electrical service may include services to a detached structure (e.g. barn, garage, shed, shop, etc.) located on the same parcel of land as the primary electrical service, a single family residential swimming pool, or household water pump. The secondary electrical service shall not be used to serve commercial businesses and buildings, secondary living spaces, security lighting, or irrigation accounts. The District may waive the requirement for services to be located on the same parcel of land in the case of a shared service providing benefit to multiple property owners (e.g. community well).

Customers may apply for the secondary service rate and eligibility will be verified by District field personnel. Customers who are on this schedule and convert the second service to a different usage (i.e. a shop is converted to a commercial business or a separate residence) are required to notify the District prior to any change of use. In the event of a change in use that no longer qualifies for this rate schedule, the account will be changed to the applicable rate schedule (residential, commercial, etc.). If the District is not notified of the change, and it is determined the change disqualifies the secondary service from this rate schedule, the District reserves the right to adjust prior bills from the date an increase of load appears on the monthly readings or as otherwise reasonably determined by the District.

CHARACTER OF SERVICE: Sixty (60) hertz alternating current of such phase and voltage as the District may have available.

RATE:

Daily System Charge:

\$0.34 per day

Monthly Energy Charge:

\$0.0722 per kWh

Monthly Demand Charge:

\$1.54 per kW during Peak Hours

PEAK HOURS: Peak Hours are defined as follows:

- October 1 through April 30, inclusive are Monday through Friday 6:00 a.m. to 9:00 a.m. and 5:00 p.m. to 8:00 p.m. Pacific Time excluding all hours on holidays.
- May 1 through September 30, inclusive are Monday through Friday 5:00 p.m. to 8:00 p.m. Pacific Time excluding all hours on holidays.

HOLIDAYS: Holidays include New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. In the event the holiday falls on a Sunday, all hours during the following Monday will be excluded from the Peak Hours.

BILLING DEMAND: The Demand Charge shall be multiplied by the maximum 1-hour kW demand measured by the District's meter for the Peak Hours during each billing period. The demand measured shall be rounded to the nearest whole number.

MINIMUM MONTHLY BILL: Shall be the daily system charge before any applicable adjustments.

POINT OF DELIVERY: The above rates are based upon the supply of service to the entire premises through a single delivery and multiple metering points.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District.

SCHEDULE 21
SMALL GENERAL SERVICE

AVAILABLE: In all territory served by the District.

APPLICABLE: To commercial, industrial, public buildings, irrigation district pumping not meeting the criteria for agricultural irrigation rate schedules, and other services not eligible under other rate schedules where measured demand is less than 50 kW during any calendar year. Services are assigned this rate schedule when the usage information provided at the time the account is established meets the above criteria or when available, based on actual measured demand incurred by the previous customer. The District reserves the right to review accounts and reclassify the rate schedule on an as needed basis or at the request of a customer.

Starting January 1, 2023, all accounts with at least twelve months of billing history will be reviewed annually in order to determine if the accounts are in the correct rate schedule. Accounts not meeting the criteria above will be moved to the appropriate rate schedule based on usage information from the previous calendar year. The review and reclassification process will be completed in the first quarter and take effect with the first billing in the second quarter.

CHARACTER OF SERVICE: Sixty hertz alternating current of such phase and voltage as the District may have available.

RATE:

Daily System Charge:

\$0.58 per day Single-phase

\$0.86 per day Multi-phase

Monthly Energy Charge:

\$0.0622 per kWh

Monthly Demand Charge:

\$1.45 per kW

BILLING DEMAND: The billing demand shall be the measured demand for the month.

Demand measurement shall be made by suitable instruments at the point of delivery. Demand for any month shall be defined as the average kilowatt delivery during the rolling thirty-minute interval in which the consumption of energy is the greatest during the month for which determination is made.

MINIMUM MONTHLY BILL: Shall be the daily system charge before any applicable adjustments.

POINT OF DELIVERY: The above rates are based upon the supply of service to the entire premises through a single delivery and metering point. Separate supply for the same customer at other points of consumption shall be separately metered and billed.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract.

SCHEDULE 22
MEDIUM GENERAL SERVICE

AVAILABLE: In all territory served by the District.

APPLICABLE: To commercial, industrial, public buildings, irrigation district pumping not meeting the criteria for agricultural irrigation rate schedules, and other services not eligible under other rate schedules where measured demand is greater than 50 kW anytime and less than 300 kW at least ten (10) times during any calendar year. Services are assigned this rate schedule when the usage information provided at the time the account is established meets the above criteria or when available, based on actual measured demand incurred by the previous customer. The District reserves the right to review accounts and reclassify the rate schedule on an as needed basis or at the request of a customer.

Starting January 1, 2023, all accounts with at least twelve months of billing history will be reviewed annually in order to determine if the accounts are in the correct rate schedule. Accounts not meeting the criteria above will be moved to the appropriate rate schedule based on usage information from the previous calendar year. The review and reclassification process will be completed in the first quarter and take effect with the first billing in the second quarter.

CHARACTER OF SERVICE: Sixty hertz alternating current of such phase and voltage as the District may have available.

RATE:

Daily System Charge:
\$1.73 per day

Monthly Energy Charge:
\$0.0560 per kWh

Monthly Demand Charge:
\$1.05 per kW: First 50 kW
\$9.80 per kW: Excess above 50 kW

BILLING DEMAND: The billing demand shall be the measured demand for the month.

Demand measurement shall be made by suitable instruments at the point of delivery. Demand for any month shall be defined as the average kilowatt delivery during the rolling thirty-minute interval in which the consumption of energy is the greatest during the month for which determination is made.

MINIMUM MONTHLY BILL: Shall be the daily system charge before any applicable adjustments.

POINT OF DELIVERY: The above rates are based upon the supply of service to the entire premises through a single delivery and metering point. Separate supply for the same customer at other points of consumption shall be separately metered and billed.

POWER FACTOR ADJUSTMENTS:

If the average power factor at which power is delivered to the customer during the billing period is 95% or more or the Billing Demand is less than 50 kW, no Power Factor Adjustment will be made.

If the average power factor at which power is delivered to the customer during the billing period is less than 95% and the Billing Demand is more than 50 kW, then a Power Factor Adjustment will be included on the monthly bill. This adjustment will consist of:

1. Calculate the average power factor using the formula below (rounded to four decimals)
2. Subtract the average power factor calculated in step 1 from 95% (rounded to two decimals)
3. Multiply the average power factor difference calculated in step 2 by the Billing Demand (rounded to nearest whole number)
4. Multiply the product calculated in step 3 by the Excess above 50 kW Monthly Demand Charge rate to determine the Power Factor Adjustment amount.

The average power factor will be determined by measurement of kilowatt-hours and kilovolt-ampere reactive hours during the Billing Period using the following formula:

$$pf = \frac{kWh}{\sqrt{(kWh)^2 + (kvarh)^2}}$$

Where pf = Average Power Factor

Where kWh = Kilowatt-Hours

Where kvarh = Kilovolt-Ampere Reactive Hours

The meter measuring kilovolt-ampere reactive hours shall be ratcheted to prevent reverse rotation when the power factor of the load is leading. If the meter does not measure kilovolt-ampere reactive hours, no Power Factor Adjustment will be made.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract.

SCHEDULE 23 LARGE GENERAL SERVICE

AVAILABLE: In all territory served by the District.

APPLICABLE: To commercial, industrial, public buildings, irrigation district pumping not meeting the criteria for agricultural irrigation rate schedules, and other services not eligible under other rate schedules, where measured demand equals or exceeds 300 kW at least 3 months in a calendar year, but never exceeds 3500 kW. Services are assigned this rate schedule when the usage information provided at the time the account is established meets the above criteria or when available, based on actual measured demand incurred by the previous customer. The District reserves the right to review accounts and reclassify the rate schedule on an as needed basis or at the request of a customer.

Starting January 1, 2023, all accounts with at least twelve months of billing history will be reviewed annually in order to determine if the accounts are in the correct rate schedule. Accounts not meeting the criteria above will be moved to the appropriate rate schedule based on usage information from the previous calendar year. The review and reclassification process will be completed in the first quarter and take effect with the first billing in the second quarter.

CHARACTER OF SERVICE: Sixty hertz alternating current of such phase and voltage as the District may have available.

RATE:

Daily System Charge:
\$2.11 per day

Monthly Energy Charge:
\$0.0492 per kWh

Monthly Demand Charge:
\$1.05 per kW: First 50 kW
\$8.56 per kW: Excess above 50 kW

BILLING DEMAND: The billing demand shall be the measured demand for the month.

Demand measurement shall be made by suitable instruments at the point of delivery. Demand for any month shall be defined as the average kilowatt delivery during the rolling thirty-minute interval in which the consumption of energy is the greatest during the month for which determination is made.

MINIMUM MONTHLY BILL: Shall be the daily system charge before any applicable adjustments.

POINT OF DELIVERY: The above rates are based upon the supply of service to the entire premises through a single delivery and metering point. Separate supply for the same customer at other points of consumption shall be separately metered and billed.

POWER FACTOR ADJUSTMENTS:

If the average power factor at which power is delivered to the customer during the billing period is 95% or more or the Billing Demand for the month is less than 50 kW, no Power Factor Adjustment will be made.

If the average power factor at which power is delivered to the customer during the billing period is less than 95% and the Billing Demand is more than 50 kW, then a Power Factor Adjustment will be included on the monthly bill. This adjustment will consist of:

1. Calculate the average power factor using the formula below (rounded to four decimals)
2. Subtract the average power factor calculated in step 1 from 95% (rounded to two decimals)
3. Multiply the average power factor difference calculated in step 2 by the Billing Demand (rounded to nearest whole number)
4. Multiply the product calculated in step 3 by the Excess above 50 kW Monthly Demand Charge rate to determine the Power Factor Adjustment amount.

The average power factor will be determined by measurement of kilowatt-hours and kilovolt-ampere reactive hours during the Billing Period using the following formula:

$$pf = \frac{kWh}{\sqrt{(kWh)^2 + (kvarh)^2}}$$

Where pf = Average Power Factor

Where kWh = Kilowatt-Hours

Where kvarh = Kilovolt-Ampere Reactive Hours

The meter measuring kilovolt-ampere reactive hours shall be ratcheted to prevent reverse rotation when the power factor of the load is leading. If the meter does not measure kilovolt-ampere reactive hours, no Power Factor Adjustment will be made.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract. Additionally, the District may require a contribution from the customer if an electric system improvement such as a new substation is needed as a result of new or additional load.

SCHEDULE 34 LARGE INDUSTRIAL

AVAILABLE: In all territory served by the District.

APPLICABLE: To existing or new large industrial loads greater than 3,500 kW demand and no more than 10,000 kW demand. In order to qualify for this rate schedule a customer must submit prior to initiation of service a District approved electrical capacity and energy consumption plan which shows the customer will be eligible for this rate within the first three months of service. If such a plan is submitted showing that a customer will meet eligibility for this rate, then regardless of actual consumption, the customer will be billed using this rate schedule. After the first three months, the customer will be billed each month using the current billed month demand as the criteria to determine the appropriate rate schedule. A customer that has established eligibility for this rate class for a previous twelve month time period may remain on this rate schedule up to six months without needing to meet the criteria solely at the District's discretion. This rate schedule does not apply to Large Electricity Intensive Loads (See Schedule 35).

CHARACTER OF SERVICE: Sixty hertz alternating current of such phase and voltage as the District may have available.

RATE:

Daily System Charge:
\$8.14 per day

Monthly Energy Charge:
\$0.0415 per kWh

Monthly Demand Charge:
\$9.21 per kW

MINIMUM MONTHLY BILL: Shall be the daily system charge before any applicable adjustments.

BILLING DEMAND: The billing demand shall be the measured demand for the month.

Demand measurement shall be made by suitable instruments at the point of delivery. Demand for any month shall be defined as the average kilowatt delivery during the rolling thirty-minute interval in which the consumption of energy is the greatest during the month for which determination is made.

POINT OF DELIVERY: For purposes of meeting the criteria for this rate schedule, the aggregated load of a customer's entire industrial campus or property will be used to determine eligibility. All separately metered services located in the industrial property will be billed separately using this rate schedule. Customer loads at multiple campuses or properties may not be aggregated for purposes of qualifying for this rate schedule.

POWER FACTOR ADJUSTMENTS:

If the average power factor at which power is delivered to the customer during the billing period is 95% or more or the Billing Demand is less than 50 kW, no Power Factor Adjustment will be made.

If the average power factor at which power is delivered to the customer during the billing period is less than 95% and the Billing Demand is more than 50 kW, then a Power Factor Adjustment will be included on the monthly bill. This adjustment will consist of:

1. Calculate the average power factor using the formula below (rounded to four decimals)
2. Subtract the average power factor calculated in step 1 from 95% (rounded to two decimals)
3. Multiply the average power factor difference calculated in step 2 by the Billing Demand (rounded to nearest whole number)
4. Multiply the product calculated in step 3 by the Monthly Demand Charge rate to determine the Power Factor Adjustment amount.

The average power factor will be determined by measurement of kilowatt-hours and kilovolt-ampere reactive hours during the Billing Period using the following formula:

$$pf = \frac{kWh}{\sqrt{(kWh)^2 + (kvarh)^2}}$$

Where pf = Average Power Factor

Where kWh = Kilowatt-Hours

Where kvarh = Kilovolt-Ampere Reactive Hours

The meter measuring kilovolt-ampere reactive hours shall be ratcheted to prevent reverse rotation when the power factor of the load is leading. If the meter does not measure kilovolt-ampere reactive hours, no Power Factor Adjustment will be made.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract. The District may require a contribution from the Customer for the Customer's requested special facilities investment.

SCHEDULE 35
LARGE TRANSIENT ELECTRICITY INTENSIVE LOAD (EIL)

AVAILABLE: In all territory served by the District.

APPLICABLE: To existing or new large EIL load with non-coincidental demand greater than 3,500 kW. These loads will be served under a power sales contract with the District. Large EIL is defined as customers that have a commodity-based business model that generate digital assets that are traded similarly to commodities like gold or oil whose electrical load has both of the following attributes:

1. Customer load where electricity is the predominant input to the business production and demand for electricity has significant variability that can be quickly scaled up or down, relocated, or shut off based on external factors such as market conditions, operational decisions, or regulatory changes.
2. Any load where the load factor or total energy consumption is estimated to be or is appreciably higher than:
 - a. Previous consumption at the service location, or
 - b. Other customers operating in a similarly-sized and type of facility.

Examples include but are not limited to cryptocurrency mining facilities, high-performance computing (HPC) for blockchain validation, AI-powered non-fungible tokens (NFT) generation and trading platform, large-scale digital asset staking and proof-of-stake (PoS) network validator.

The total energy consumption by District customers on an annual basis exceeds our firm allocation of wholesale energy resources provided by the Bonneville Power Administration. The transitory and volatile load associated with EIL customers presents a financial risk to the rest of the District's customers. As a way to mitigate and balance that risk the District will aggregate all EIL loads of the customer regardless of location and if the total non-coincidental demand exceeds 3,500 kW, all services will be subject to the District's Large Transient Electricity Intensive Load Rate Schedule 35.

An EIL Customer is defined as an individual or entity who has the ultimate financial responsibility and decision authority to operate on a daily basis for one or more EIL accounts regardless of the name or UBI associated with each account. For example, if multiple entities have the same parent company or corporate officers or partners, they will be treated as one customer.

CHARACTER OF SERVICE: Sixty hertz alternating current of such phase and voltage as the District may have available.

RATE: Large EIL customers will be served at rates determined under a contract negotiated with the District.

SCHEDULE 51 STREET LIGHTING

AVAILABLE: In all territory served by the District.

APPLICABLE: To governmental agencies and municipal corporations upon receipt of an authorized application for the supply of lighting facilities or energy and maintenance of lighting systems for public streets, alleys, thoroughfares, grounds and parks.

TYPE OF LIGHTING: Lighting systems installed and owned by the District shall consist of mast arms and luminaries mounted on poles. Customer-owned systems will be supplied at voltages specified by the District.

MONTHLY RATES:

Type and Size of Lamp	District-Owned Facilities		Customer-Owned Facilities	
	Metered	Unmetered	Metered (See Small General Service Rates)	Unmetered
50w. Ind. / LED				\$2.21
135w. Ind. / LED				\$3.70
200w. Ind. / LED				\$4.91
36w. LED	\$2.36	\$4.10		\$1.74
42w. LED	\$2.36	\$4.40		\$2.05
53w. LED	\$2.36	\$4.93		\$2.57
54w. LED	\$2.36	\$4.97		\$2.61
88w. LED	\$2.36	\$5.58		\$3.22
101w. LED	\$2.36	\$6.05		\$3.69
110w. LED	\$2.36	\$6.08		\$3.72
139w. LED	\$2.36	\$6.14		\$3.77
170w. LED	\$2.36	\$6.97		\$4.61
180w. LED	\$2.36	\$7.23		\$4.88
220w. LED	\$2.36	\$7.95		\$5.59
260w. LED	\$2.36	\$8.65		\$6.29
100w.H.P.S.	\$6.52	\$8.27		\$4.63
150w.H.P.S.	\$6.54	\$9.20		\$5.52
200w.H.P.S.	\$6.55	\$10.35		\$6.68
250w.H.P.S.	\$6.57	\$11.38		\$7.73
400w.H.P.S.	\$6.58	\$13.90		\$10.24
*175w.Mer.Vap.	\$6.19	\$9.35		\$5.71
*250w.Mer.Vap.	\$6.42	\$11.26		\$7.62

** No longer available after March 1, 1982.*

Lights installed that are not listed in the above rate chart will be billed at the monthly rate associated with the lamp type and size to the nearest lesser wattage rate of a similar type. When a lesser wattage rate is not available, it will be assigned to the nearest rate of a similar type.

The rate for District-owned systems includes routine maintenance and replacement of light emitting diode (LED), high pressure sodium (HPS), and Mercury Vapor lamps, photocells and luminaries. The monthly rate for Induction (IND) type lighting does not include routine maintenance and replacement. Routine

maintenance and replacement of Induction lighting is the customers' responsibility. The rate does not cover unusual damage or failure of the system requiring major component replacements. Maintenance of the system will be performed during normal District working hours. It is the customer's responsibility to provide ingress/egress easements for the District to perform any necessary repairs. Customer will provide trench and backfill for installation or replacement of underground conditions. The cost of additional District-owned poles (wood or metal) including installation is to be collected by the District at the time of construction.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District.

SCHEDULE 61 SECURITY LIGHTING

AVAILABLE: In all territory served by the District.

APPLICABLE: To any electric customer where the District has existing facilities or public accessible locations.

TYPE OF LIGHTING: The District will furnish and install lighting fixtures, overhead, electrical equipment, lamps and electric energy, and will maintain and relamp the units.

MONTHLY RATES: Where a suitable pole for mounting the luminaries exists, the District will furnish and maintain the above described service at the following monthly rate:

	Customer-Owned Facilities			District-Owned Facilities	
Type & Size of lamp	Metered	Unmetered	Energy Only	Metered	Unmetered
46w. LED		\$4.72	\$1.28		\$8.48
58w. LED		\$4.83	\$1.60		\$8.69
*100w.H.P.S.		\$7.08	\$2.75	\$9.96	\$12.72
*150w.H.P.S.		\$8.84	\$4.26	\$10.45	\$14.04
*175w.Mer.Vap.		\$9.17	\$5.08	\$9.99	\$14.30
*250w.Mer.Vap.		\$12.21	\$7.76	\$10.33	\$17.06
*400w.Mer.Vap.		\$16.34	\$11.77	\$10.41	\$21.15
*1000w.Mer.Vap.		\$33.32	\$28.04	\$10.36	\$38.38

Lights installed that are not listed in the above rate chart will be billed at the monthly rate associated with the lamp type and size to the nearest lessor wattage rate of a similar type. When a lessor wattage rate is not available, it will be assigned to the nearest rate of a similar type.

The District no longer installs poles for the sole purpose of security light installation. For customers with preexisting installations, the District will continue to maintain poles at the monthly rates listed below added to the rate for the luminaire.

Standard Wood Pole, 30-35 feet \$3.78
 Standard Wood Pole with an
 Underground Feed, 30-35 feet \$5.76
 **Direct Burial Steel with an
 Underground Feed, 30 feet..... \$6.78

The above charge will be applicable where the installation is made on a non-District joint use pole.

* No longer available for future installation.

** Not available as a standard installation after April 1, 1975.

SPECIAL CONDITIONS: The property owner shall agree to accept and pay for the service set forth in this rate schedule for a minimum period of three years.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District. If a customer would like to request a change to their light type, please contact Benton PUD at 509-582-2175 for a cost estimate.

SCHEDULE 71
SMALL AGRICULTURAL IRRIGATION

AVAILABLE: In all territory served by the District.

APPLICABLE: To electric services primarily used in irrigation pumping for agricultural food production on a commercial consumption basis or for services used in livestock food production with 300 horsepower or less. Energy delivered under this schedule may also be used for lighting essential to the pumping operation.

CHARACTER OF SERVICE: Sixty hertz alternating current, single-phase and three-phase, at available secondary voltage. At the discretion of the District single-phase service may be furnished provided individual motor capacity is not in excess of 7.5 horsepower.

RATE:

Daily System Charge:
\$0.20 per day

Monthly Energy Charge:
\$0.0562 per kWh

Monthly Demand Charge:
\$4.15 per kW

MINIMUM MONTHLY BILL: Shall be the daily system charge before any applicable adjustments.

BILLING DEMAND: The billing demand shall be the measured demand for the month.

Demand measurement shall be made by suitable instruments at the point of delivery. Demand for any month shall be defined as the average kilowatt delivery during the rolling thirty-minute interval in which the consumption of energy is the greatest during the month for which determination is made.

POINT OF DELIVERY: The above rates are based upon the supply of service through a single delivery and metering point.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District.

SCHEDULE 72
LARGE AGRICULTURAL IRRIGATION

AVAILABLE: In all territory served by the District.

APPLICABLE: To agricultural irrigation power in excess of 300 horsepower served by one meter or as covered by special power sales contract and not subject to the District's Miles of Line Charge served by the District's distribution system.

CHARACTER OF SERVICE: Sixty hertz alternating current, three-phase, sixty-hertz, at available secondary voltage.

RATE:

Daily System Charge:
\$1.29 per day

Monthly Energy Charge:
\$0.0476 per kWh

Monthly Demand Charge:
\$4.35 per kW

MINIMUM MONTHLY BILL: Shall be the daily system charge before any applicable adjustments.

BILLING DEMAND: The billing demand shall be the measured demand for the month

Demand measurement shall be made by suitable instruments at the point of delivery. Demand for any month shall be defined as the average kilowatt delivery during the rolling thirty-minute interval in which the consumption of energy is the greatest during the month for which determination is made.

POINT OF DELIVERY: The above rates are based upon the supply of service through a single delivery and metering point or as specified in a special power sales contract.

POWER FACTOR ADJUSTMENTS:

If the average power factor at which power is delivered to the customer during the billing period is 95% or more or the Billing Demand is less than 50 kW, no Power Factor Adjustment will be made.

If the average power factor at which power is delivered to the customer during the billing period is less than 95% and the Billing Demand is more than 50 kW, then a Power Factor Adjustment will be included on the monthly bill. This adjustment will consist of:

1. Calculate the average power factor using the formula below (rounded to four decimals)
2. Subtract the average power factor calculated in step 1 from 95% (rounded to two decimals)
3. Multiply the average power factor difference calculated in step 2 by the Billing Demand (rounded to nearest whole number)
4. Multiply the product calculated in step 3 by the Monthly Demand Charge rate to determine the Power Factor Adjustment amount.

The average power factor will be determined by measurement of kilowatt-hours and kilovolt-ampere reactive hours during the billing period using the following formula:

$$pf = \frac{kWh}{\sqrt{(kWh)^2 + (kvarh)^2}}$$

Where pf = Average Power Factor

Where kWh = Kilowatt-Hours

Where kvarh = Kilovolt-Ampere Reactive Hours

The meter measuring kilovolt-ampere reactive hours shall be ratcheted to prevent reverse rotation when the power factor of the load is leading. If the meter does not measure kilovolt-ampere reactive hours, no Power Factor Adjustment will be made.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract.

INCREMENTAL LOAD: Additional irrigation load for a customer served under this schedule is to be billed under this same schedule.

SCHEDULE 73
LARGE AGRICULTURAL IRRIGATION PUMPING STATION WITH MILES OF LINE CHARGE

AVAILABLE: In all territory served by the District.

APPLICABLE: To agricultural irrigation power in excess of 300 horsepower served by one meter, served by a District substation at 2.4kV or higher voltage, or as covered by special power sales contract and subject to the District's Miles of Line Charge.

CHARACTER OF SERVICE: Sixty hertz alternating current, three-phase, at available secondary voltage.

RATE:

Monthly Miles of Line Charge:
\$265.41 per mile of distribution feeder line

Monthly Energy Charge:
\$0.0447 per kWh

Monthly Demand Charge:
\$5.23 per kW

MINIMUM ANNUAL BILL: Shall be the Monthly Miles of Line Charge before any applicable adjustments.

MILES OF LINE CHARGE: Monthly miles of line charge will be based on each customer's miles of distribution line that serve irrigation load. The District's geographical information system (GIS) will be utilized to determine the miles of line for each customer and will be updated on an annual basis in accordance with the District's internal directive.

BILLING DEMAND: The billing demand shall be the measured demand for the month.

Demand measurement shall be made by suitable instruments at the point of delivery. Demand for any month shall be defined as the average kilowatt delivery during the rolling thirty-minute interval in which the consumption of energy is the greatest during the month for which determination is made.

POINT OF DELIVERY: The above rates are based upon the supply of service through a single delivery and metering point or as specified in a special power sales contract.

POWER FACTOR ADJUSTMENTS:

If the average power factor at which power is delivered to the customer during the billing period is 95% or more or the Billing Demand is less than 50 kW, no Power Factor Adjustment will be made.

If the average power factor at which power is delivered to the customer during the billing period is less than 95% and the Billing Demand is more than 50 kW, then a Power Factor Adjustment will be included on the monthly bill. This adjustment will consist of:

1. Calculate the average power factor using the formula below (rounded to four decimals)
2. Subtract the average power factor calculated in step 1 from 95% (rounded to two decimals)
3. Multiply the average power factor difference calculated in step 2 by the Billing Demand (rounded to nearest whole number)

4. Multiply the product calculated in step 3 by the Monthly Demand Charge rate to determine the Power Factor Adjustment amount.

The average power factor will be determined by measurement of kilowatt-hours and kilovolt-ampere reactive hours during the billing period using the following formula:

$$pf = \frac{kWh}{\sqrt{(kWh)^2 + (kvarh)^2}}$$

Where pf = Average Power Factor
Where kWh = Kilowatt-Hours
Where kvarh = Kilovolt-Ampere Reactive Hours

The meter measuring kilovolt-ampere reactive hours shall be ratcheted to prevent reverse rotation when the power factor of the load is leading. If the meter does not measure kilovolt-ampere reactive hours, no Power Factor Adjustment will be made.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract.

INCREMENTAL LOAD: Additional irrigation load for a customer served under this schedule is to be billed under this same schedule.

SCHEDULE 74
AGRICULTURAL IRRIGATION SPRINKLER WHEELTURNING

AVAILABLE: In all territory served by the District.

APPLICABLE: To agricultural irrigation power for wheelturning for customers that are not subject to the Miles of Line Charge.

CHARACTER OF SERVICE: Sixty hertz alternating current, three-phase, at available secondary voltage.

RATE:

Monthly Energy Charge:
\$0.0527 per kWh

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract.

SCHEDULE 75
AGRICULTURAL IRRIGATION SPRINKLER WHEELTURNING
WITH MILES OF LINE

AVAILABLE: In all territory served by the District.

APPLICABLE: To agricultural irrigation power for wheelturning for customers that are subject to the Miles of Line Charge.

CHARACTER OF SERVICE: Sixty hertz alternating current, three-phase, at available secondary voltage.

RATE:

Monthly Energy Charge:
\$0.0460 per kWh

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract.

SCHEDULE 76
LARGE AGRICULTURAL IRRIGATION PUMPING STATION

AVAILABLE: In all territory served by the District.

APPLICABLE: To agricultural irrigation power in excess of 300 horsepower served by one meter, served by a District substation at 2.4kV or higher voltage, or as covered by special power sales contract.

CHARACTER OF SERVICE: Sixty hertz alternating current, three-phase, at available secondary voltage.

RATE:

Daily System Charge:
\$1.29 per day

Monthly Energy Charge:
\$0.0447 per kWh

Monthly Demand Charge:
\$4.52 per kW

MINIMUM ANNUAL BILL: Shall be the Daily System Charge before any applicable adjustments.

BILLING DEMAND: The billing demand shall be the measured demand for the month.

Demand measurement shall be made by suitable instruments at the point of delivery. Demand for any month shall be defined as the average kilowatt delivery during the rolling thirty-minute interval in which the consumption of energy is the greatest during the month for which determination is made.

POINT OF DELIVERY: The above rates are based upon the supply of service through a single delivery and metering point or as specified in a special power sales contract.

POWER FACTOR ADJUSTMENTS:

If the average power factor at which power is delivered to the customer during the billing period is 95% or more or the Billing Demand is less than 50 kW, no Power Factor Adjustment will be made.

If the average power factor at which power is delivered to the customer during the billing period is less than 95% and the Billing Demand is more than 50 kW, then a Power Factor Adjustment will be included on the monthly bill. This adjustment will consist of:

1. Calculate the average power factor using the formula below (rounded to four decimals)
2. Subtract the average power factor calculated in step 1 from 95% (rounded to two decimals)
3. Multiply the average power factor difference calculated in step 2 by the Billing Demand (rounded to nearest whole number)
4. Multiply the product calculated in step 3 by the Monthly Demand Charge rate to determine the Power Factor Adjustment amount.

The average power factor will be determined by measurement of kilowatt-hours and kilovolt-ampere reactive hours during the billing period using the following formula:

$$pf = \frac{kWh}{\sqrt{(kWh)^2 + (kvarh)^2}}$$

Where pf = Average Power Factor

Where kWh = Kilowatt-Hours

Where kvarh = Kilovolt-Ampere Reactive Hours

The meter measuring kilovolt-ampere reactive hours shall be ratcheted to prevent reverse rotation when the power factor of the load is leading. If the meter does not measure kilovolt-ampere reactive hours, no Power Factor Adjustment will be made.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract.

INCREMENTAL LOAD: Additional irrigation load for a customer served under this schedule is to be billed under this same schedule.

SCHEDULE 80
NEW LARGE SINGLE LOAD

AVAILABLE: In all territory served by the District.

APPLICABLE: To new large industrial loads greater than 10,000 kW demand, served under a power sales contract with the District.

CHARACTER OF SERVICE: Sixty hertz alternating current of such phase and voltage as the District may have available.

RATE: New large load customers will be served at rates determined under a contract negotiated with the District.

SCHEDULE 85
FLATS - UNMETERED ELECTRIC SERVICE

AVAILABLE: In all territory served by the District.

APPLICABLE: To electric services with fixed and known monthly kWh usages designated by the District. Examples of this include, but are not limited to, flashing crosswalk lights, amplifiers for cable TV, etc.

CHARACTER OF SERVICE: Sixty hertz alternating current, single-phase, at available secondary voltage.

RATE:

Monthly Energy Charge:
\$0.0820 per kWh

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract.

SCHEDULE 90
INTERCONNECTION AND
CONSTRUCTION OPERATION AND MAINTENANCE AGREEMENTS

AVAILABLE: In all territory served by the District.

APPLICABLE: To interconnection agreement customers generating not more than 300kW measured demand at all times. To transfer of power agreements, and construction operation and maintenance agreements. A connection fee may apply per the District's Standards for Interconnection with Electric Generators with a capacity of not more than 300 kilowatts.

CHARACTER OF SERVICE: Sixty hertz alternating current of such phase and voltage as the District may have available.

RATE:

Monthly Energy Charge:
\$0.0507 per kWh

POINT OF DELIVERY: The above rates are based upon the supply of service to the entire premises through a single delivery and metering point. Separate supply for the same customer at other points of consumption shall be separately metered and billed.

GLOSSARY

DAILY SYSTEM CHARGE: Rate component designed to recover certain fixed costs involved in providing electricity to a home or business, including such things as maintaining substations, poles and lines, meters, issuing bills, and maintaining records. There is a minimum level of infrastructure required to serve a customer.

MONTHLY ENERGY CHARGE: Rate component designed to recover variable power supply costs. Monthly energy charge currently includes a portion of fixed costs.

MONTHLY DEMAND CHARGE: Rate component designed to recover fixed costs associated with sizing the system to handle the maximum amount of energy consumed at a moment in time. The demand measured by the District's meter during each billing period shall be rounded to the nearest whole number.

Red Lined Version

SCHEDULE 11 RESIDENTIAL

AVAILABLE: In all territory served by the District.

APPLICABLE: To domestic use of electric energy by all residential urban and rural customers which may include community lawn irrigation systems and single family residential swimming pools.

CHARACTER OF SERVICE: Sixty hertz alternating current of such phase and voltage as the District may have available.

RATE:

Daily System Charge:

\$0.66 per day

Monthly Energy Charge:

\$0.0722 per kWh

Monthly Demand Charge:

~~\$1.54~~~~\$1.05~~ per kW during Peak Hours

PEAK HOURS: Peak Hours are defined as follows:

- October 1 through April 30, inclusive are Monday through Friday 6:00 a.m. to 9:00 a.m. and 5:00 p.m. to 8:00 p.m. Pacific Time excluding all hours on holidays.
- May 1 through September 30, inclusive are Monday through Friday 5:00 p.m. to 8:00 p.m. Pacific Time excluding all hours on holidays.

HOLIDAYS: Holidays include New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. In the event the holiday falls on a Sunday, all hours during the following Monday will be excluded from the Peak Hours.

BILLING DEMAND: The Demand Charge shall be multiplied by the maximum 1-hour kW demand measured by the District's meter for the Peak Hours during each billing period. The demand measured shall be rounded to the nearest whole number.

MINIMUM MONTHLY BILL: Shall be the daily system charge before any applicable adjustments.

POINT OF DELIVERY: The above rates are based upon the supply of service to the entire premises through a single delivery and metering point. Separate supply for the same customer at other points of consumption shall be separately metered and billed.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer

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Service Policies of the District.

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SCHEDULE 12
RESIDENTIAL – SECONDARY METER

AVAILABLE: In all territory served by the District.

APPLICABLE: To domestic use of electric energy by all residential customers with a second electrical service (meter) at a service location that is a single-family residence. To qualify for this rate schedule, the second service must meet all of the following criteria: 1) be fed from the same transformer that serves the primary residence, AND 2) be served by a 50 kVa or less sized transformer, AND 3) not be a living space. The secondary electrical service may include services to a detached structure (e.g. barn, garage, shed, shop, etc.) located on the same parcel of land as the primary electrical service, a single family residential swimming pool, or household water pump. The secondary electrical service shall not be used to serve commercial businesses and buildings, secondary living spaces, security lighting, or irrigation accounts. The District may waive the requirement for services to be located on the same parcel of land in the case of a shared service providing benefit to multiple property owners (e.g. community well).

Customers may apply for the secondary service rate and eligibility will be verified by District field personnel. Customers who are on this schedule and convert the second service to a different usage (i.e. a shop is converted to a commercial business or a separate residence) are required to notify the District prior to any change of use. In the event of a change in use that no longer qualifies for this rate schedule, the account will be changed to the applicable rate schedule (residential, commercial, etc.). If the District is not notified of the change, and it is determined the change disqualifies the secondary service from this rate schedule, the District reserves the right to adjust prior bills from the date an increase of load appears on the monthly readings or as otherwise reasonably determined by the District.

CHARACTER OF SERVICE: Sixty (60) hertz alternating current of such phase and voltage as the District may have available.

RATE:

Daily System Charge:

\$0.34 per day

Monthly Energy Charge:

\$0.0722 per kWh

Monthly Demand Charge:

~~\$1.54~~~~\$1.05~~ per kW during Peak Hours

PEAK HOURS: Peak Hours are defined as follows:

- October 1 through April 30, inclusive are Monday through Friday 6:00 a.m. to 9:00 a.m. and 5:00 p.m. to 8:00 p.m. Pacific Time excluding all hours on holidays.

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- May 1 through September 30, inclusive are Monday through Friday 5:00 p.m. to 8:00 p.m. Pacific Time excluding all hours on holidays.

HOLIDAYS: Holidays include New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. In the event the holiday falls on a Sunday, all hours during the following Monday will be excluded from the Peak Hours.

BILLING DEMAND: The Demand Charge shall be multiplied by the maximum 1-hour kW demand measured by the District's meter for the Peak Hours during each billing period. The demand measured shall be rounded to the nearest whole number.

MINIMUM MONTHLY BILL: Shall be the daily system charge before any applicable adjustments.

POINT OF DELIVERY: The above rates are based upon the supply of service to the entire premises through a single delivery and multiple metering points.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District.

SCHEDULE 21
SMALL GENERAL SERVICE

AVAILABLE: In all territory served by the District.

APPLICABLE: To commercial, industrial, public buildings, irrigation district pumping not meeting the criteria for agricultural irrigation rate schedules, and other services not eligible under other rate schedules where measured demand is less than 50 kW during any calendar year. Services are assigned this rate schedule when the usage information provided at the time the account is established meets the above criteria or when available, based on actual measured demand incurred by the previous customer. The District reserves the right to review accounts and reclassify the rate schedule on an as needed basis or at the request of a customer.

Starting January 1, 2023, all accounts with at least twelve months of billing history will be reviewed annually in order to determine if the accounts are in the correct rate schedule. Accounts not meeting the criteria above will be moved to the appropriate rate schedule based on usage information from the previous calendar year. The review and reclassification process will be completed in the first quarter and take effect with the first billing in the second quarter.

CHARACTER OF SERVICE: Sixty hertz alternating current of such phase and voltage as the District may have available.

RATE:

Daily System Charge:

\$0.58 per day Single-phase

\$0.86 per day Multi-phase

Monthly Energy Charge:

\$0.0622 per kWh

Monthly Demand Charge:

~~\$1.45~~~~\$1.05~~ per kW

BILLING DEMAND: The billing demand shall be the measured demand for the month.

Demand measurement shall be made by suitable instruments at the point of delivery. Demand for any month shall be defined as the average kilowatt delivery during the rolling thirty-minute interval in which the consumption of energy is the greatest during the month for which determination is made.

MINIMUM MONTHLY BILL: Shall be the daily system charge before any applicable adjustments.

POINT OF DELIVERY: The above rates are based upon the supply of service to the entire premises through

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a single delivery and metering point. Separate supply for the same customer at other points of consumption shall be separately metered and billed.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract.

SCHEDULE 22
MEDIUM GENERAL SERVICE

AVAILABLE: In all territory served by the District.

APPLICABLE: To commercial, industrial, public buildings, irrigation district pumping not meeting the criteria for agricultural irrigation rate schedules, and other services not eligible under other rate schedules where measured demand is greater than 50 kW anytime and less than 300 kW at least ten (10) times during any calendar year. Services are assigned this rate schedule when the usage information provided at the time the account is established meets the above criteria or when available, based on actual measured demand incurred by the previous customer. The District reserves the right to review accounts and reclassify the rate schedule on an as needed basis or at the request of a customer.

Starting January 1, 2023, all accounts with at least twelve months of billing history will be reviewed annually in order to determine if the accounts are in the correct rate schedule. Accounts not meeting the criteria above will be moved to the appropriate rate schedule based on usage information from the previous calendar year. The review and reclassification process will be completed in the first quarter and take effect with the first billing in the second quarter.

CHARACTER OF SERVICE: Sixty hertz alternating current of such phase and voltage as the District may have available.

RATE:

Daily System Charge:

\$1.73 per day

Monthly Energy Charge:

\$0.0560 per kWh

Monthly Demand Charge:

\$1.05 per kW: First 50 kW

\$9.80 per kW: Excess above 50 kW

BILLING DEMAND: The billing demand shall be the measured demand for the month.

Demand measurement shall be made by suitable instruments at the point of delivery. Demand for any month shall be defined as the average kilowatt delivery during the rolling thirty-minute interval in which the consumption of energy is the greatest during the month for which determination is made.

MINIMUM MONTHLY BILL: Shall be the daily system charge before any applicable adjustments.

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POINT OF DELIVERY: The above rates are based upon the supply of service to the entire premises through a single delivery and metering point. Separate supply for the same customer at other points of consumption shall be separately metered and billed.

POWER FACTOR ADJUSTMENTS:

If the average power factor at which power is delivered to the customer during the billing period is 95% or more or the Billing Demand is less than 50 kW, no Power Factor Adjustment will be made.

If the average power factor at which power is delivered to the customer during the billing period is less than 95% and the Billing Demand is more than 50 kW, then a Power Factor Adjustment will be included on the monthly bill. This adjustment will consist of:

1. Calculate the average power factor using the formula below (rounded to four decimals)
2. Subtract the average power factor calculated in step 1 from 95% (rounded to two decimals)
3. Multiply the average power factor difference calculated in step 2 by the Billing Demand (rounded to nearest whole number)
4. Multiply the product calculated in step 3 by the Excess above 50 kW Monthly Demand Charge rate to determine the Power Factor Adjustment amount.

The average power factor will be determined by measurement of kilowatt-hours and kilovolt-ampere reactive hours during the Billing Period using the following formula:

$$pf = \frac{kWh}{\sqrt{(kWh)^2 + (kvarh)^2}}$$

Where pf = Average Power Factor

Where kWh = Kilowatt-Hours

Where kvarh = Kilovolt-Ampere Reactive Hours

The meter measuring kilovolt-ampere reactive hours shall be ratcheted to prevent reverse rotation when the power factor of the load is leading. If the meter does not measure kilovolt-ampere reactive hours, no Power Factor Adjustment will be made.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract.

SCHEDULE 23
LARGE GENERAL SERVICE

AVAILABLE: In all territory served by the District.

APPLICABLE: To commercial, industrial, public buildings, irrigation district pumping not meeting the criteria for agricultural irrigation rate schedules, and other services not eligible under other rate schedules, where measured demand equals or exceeds 300 kW at least 3 months in a calendar year, but never exceeds 3500 kW. Services are assigned this rate schedule when the usage information provided at the time the account is established meets the above criteria or when available, based on actual measured demand incurred by the previous customer. The District reserves the right to review accounts and reclassify the rate schedule on an as needed basis or at the request of a customer.

Starting January 1, 2023, all accounts with at least twelve months of billing history will be reviewed annually in order to determine if the accounts are in the correct rate schedule. Accounts not meeting the criteria above will be moved to the appropriate rate schedule based on usage information from the previous calendar year. The review and reclassification process will be completed in the first quarter and take effect with the first billing in the second quarter.

CHARACTER OF SERVICE: Sixty hertz alternating current of such phase and voltage as the District may have available.

RATE:

Daily System Charge:

\$2.11 per day

Monthly Energy Charge:

\$0.0492 per kWh

Monthly Demand Charge:

\$1.05 per kW: First 50 kW

\$8.56 per kW: Excess above 50 kW

BILLING DEMAND: The billing demand shall be the measured demand for the month.

Demand measurement shall be made by suitable instruments at the point of delivery. Demand for any month shall be defined as the average kilowatt delivery during the rolling thirty-minute interval in which the consumption of energy is the greatest during the month for which determination is made.

MINIMUM MONTHLY BILL: Shall be the daily system charge before any applicable adjustments.

POINT OF DELIVERY: The above rates are based upon the supply of service to the entire premises through a single delivery and metering point. Separate supply for the same customer at other points of consumption shall be separately metered and billed.

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POWER FACTOR ADJUSTMENTS:

If the average power factor at which power is delivered to the customer during the billing period is 95% or more or the Billing Demand for the month is less than 50 kW, no Power Factor Adjustment will be made.

If the average power factor at which power is delivered to the customer during the billing period is less than 95% and the Billing Demand is more than 50 kW, then a Power Factor Adjustment will be included on the monthly bill. This adjustment will consist of:

1. Calculate the average power factor using the formula below (rounded to four decimals)
2. Subtract the average power factor calculated in step 1 from 95% (rounded to two decimals)
3. Multiply the average power factor difference calculated in step 2 by the Billing Demand (rounded to nearest whole number)
4. Multiply the product calculated in step 3 by the Excess above 50 kW Monthly Demand Charge rate to determine the Power Factor Adjustment amount.

The average power factor will be determined by measurement of kilowatt-hours and kilovolt-ampere reactive hours during the Billing Period using the following formula:

$$pf = \frac{kWh}{\sqrt{(kWh)^2 + (kvarh)^2}}$$

Where pf = Average Power Factor

Where kWh = Kilowatt-Hours

Where kvarh = Kilovolt-Ampere Reactive Hours

The meter measuring kilovolt-ampere reactive hours shall be ratcheted to prevent reverse rotation when the power factor of the load is leading. If the meter does not measure kilovolt-ampere reactive hours, no Power Factor Adjustment will be made.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract. Additionally, the District may require a contribution from the customer if an electric system improvement such as a new substation is needed as a result of new or additional load.

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SCHEDULE 34 LARGE INDUSTRIAL

AVAILABLE: In all territory served by the District.

APPLICABLE: To existing or new large industrial loads greater than 3,500 kW demand and no more than 10,000 kW demand. In order to qualify for this rate schedule a customer must submit prior to initiation of service a District approved electrical capacity and energy consumption plan which shows the customer will be eligible for this rate within the first three months of service. If such a plan is submitted showing that a customer will meet eligibility for this rate, then regardless of actual consumption, the customer will be billed using this rate schedule. After the first three months, the customer will be billed each month using the current billed month demand as the criteria to determine the appropriate rate schedule. A customer that has established eligibility for this rate class for a previous twelve month time period may remain on this rate schedule up to six months without needing to meet the criteria solely at the District's discretion. This rate schedule does not apply to Large Electricity Intensive Loads (See Schedule 35).

CHARACTER OF SERVICE: Sixty hertz alternating current of such phase and voltage as the District may have available.

RATE:

Daily System Charge:

\$8.14 per day

Monthly Energy Charge:

\$0.0415 per kWh

Monthly Demand Charge:

\$9.21 per kW

MINIMUM MONTHLY BILL: Shall be the daily system charge before any applicable adjustments.

BILLING DEMAND: The billing demand shall be the measured demand for the month.

Demand measurement shall be made by suitable instruments at the point of delivery. Demand for any month shall be defined as the average kilowatt delivery during the rolling thirty-minute interval in which the consumption of energy is the greatest during the month for which determination is made.

POINT OF DELIVERY: For purposes of meeting the criteria for this rate schedule, the aggregated load of a customer's entire industrial campus or property will be used to determine eligibility. All separately metered services located in the industrial property will be billed separately using this rate schedule. Customer loads at multiple campuses or properties may not be aggregated for purposes of qualifying for this rate schedule.

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POWER FACTOR ADJUSTMENTS:

If the average power factor at which power is delivered to the customer during the billing period is 95% or more or the Billing Demand is less than 50 kW, no Power Factor Adjustment will be made.

If the average power factor at which power is delivered to the customer during the billing period is less than 95% and the Billing Demand is more than 50 kW, then a Power Factor Adjustment will be included on the monthly bill. This adjustment will consist of:

1. Calculate the average power factor using the formula below (rounded to four decimals)
2. Subtract the average power factor calculated in step 1 from 95% (rounded to two decimals)
3. Multiply the average power factor difference calculated in step 2 by the Billing Demand (rounded to nearest whole number)
4. Multiply the product calculated in step 3 by the Monthly Demand Charge rate to determine the Power Factor Adjustment amount.

The average power factor will be determined by measurement of kilowatt-hours and kilovolt-ampere reactive hours during the Billing Period using the following formula:

$$pf = \frac{kWh}{\sqrt{(kWh)^2 + (kvarh)^2}}$$

Where pf = Average Power Factor

Where kWh = Kilowatt-Hours

Where kvarh = Kilovolt-Ampere Reactive Hours

The meter measuring kilovolt-ampere reactive hours shall be ratcheted to prevent reverse rotation when the power factor of the load is leading. If the meter does not measure kilovolt-ampere reactive hours, no Power Factor Adjustment will be made.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract. The District may require a contribution from the Customer for the Customer's requested special facilities investment.

SCHEDULE 35
LARGE TRANSIENT ELECTRICITY INTENSIVE LOAD (EIL)

AVAILABLE: In all territory served by the District.

APPLICABLE: To existing or new large EIL load with non-coincidental demand greater than 3,500 kW. These loads will be served under a power sales contract with the District. Large EIL is defined as customers that have a commodity-based business model that generate digital assets that are traded similarly to commodities like gold or oil whose electrical load has both of the following attributes:

1. Customer load where electricity is the predominant input to the business production and demand for electricity has significant variability that can be quickly scaled up or down, relocated, or shut off based on external factors such as market conditions, operational decisions, or regulatory changes.
2. Any load where the load factor or total energy consumption is estimated to be or is appreciably higher than:
 - a. Previous consumption at the service location, or
 - b. Other customers operating in a similarly-sized and type of facility.

Examples include but are not limited to cryptocurrency mining facilities, high-performance computing (HPC) for blockchain validation, AI-powered non-fungible tokens (NFT) generation and trading platform, large-scale digital asset staking and proof-of-stake (PoS) network validator.

The total energy consumption by District customers on an annual basis exceeds our firm allocation of wholesale energy resources provided by the Bonneville Power Administration. The transitory and volatile load associated with EIL customers presents a financial risk to the rest of the District's customers. As a way to mitigate and balance that risk the District will aggregate all EIL loads of the customer regardless of location and if the total non-coincidental demand exceeds 3,500 kW, all services will be subject to the District's Large Transient Electricity Intensive Load Rate Schedule 35.

An EIL Customer is defined as an individual or entity who has the ultimate financial responsibility and decision authority to operate on a daily basis for one or more EIL accounts regardless of the name or UBI associated with each account. For example, if multiple entities have the same parent company or corporate officers or partners, they will be treated as one customer.

CHARACTER OF SERVICE: Sixty hertz alternating current of such phase and voltage as the District may have available.

RATE: Large EIL customers will be served at rates determined under a contract negotiated with the District.

SCHEDULE 51 STREET LIGHTING

AVAILABLE: In all territory served by the District.

APPLICABLE: To governmental agencies and municipal corporations upon receipt of an authorized application for the supply of lighting facilities or energy and maintenance of lighting systems for public streets, alleys, thoroughfares, grounds and parks.

TYPE OF LIGHTING: Lighting systems installed and owned by the District shall consist of mast arms and luminaries mounted on poles. Customer-owned systems will be supplied at voltages specified by the District.

MONTHLY RATES:

Type and Size of Lamp	District-Owned Facilities		Customer-Owned Facilities	
	Metered	Unmetered	Metered (See Small General Service Rates)	Unmetered
50w. Ind. / LED				~~\$2.21~~ \$2.17
135w. Ind. / LED				~~\$3.70~~ \$3.63
200w. Ind. / LED				~~\$4.91~~ \$4.81
36w. LED	~~\$2.36~~ \$2.31	~~\$4.10~~ \$4.02		~~\$1.74~~ \$1.71
42w. LED	~~\$2.36~~ \$2.31	~~\$4.40~~ \$4.31		~~\$2.05~~ \$2.01
53w. LED	~~\$2.36~~ \$2.31	~~\$4.93~~ \$4.83		~~\$2.57~~ \$2.52
54w. LED	~~\$2.36~~ \$2.31	~~\$4.97~~ \$4.87		~~\$2.61~~ \$2.56
88w. LED	~~\$2.36~~ \$2.31	~~\$5.58~~ \$5.47		~~\$3.22~~ \$3.16
101w. LED	~~\$2.36~~ \$2.31	~~\$6.05~~ \$5.93		~~\$3.69~~ \$3.62
110w. LED	~~\$2.36~~ \$2.31	~~\$6.08~~ \$5.96		~~\$3.72~~ \$3.65
139w. LED	~~\$2.36~~ \$2.31	~~\$6.14~~ \$6.02		~~\$3.77~~ \$3.70
170w. LED	~~\$2.36~~ \$2.31	~~\$6.97~~ \$6.83		~~\$4.61~~ \$4.52
180w. LED	~~\$2.36~~ \$2.31	~~\$7.23~~ \$7.09		~~\$4.88~~ \$4.78
220w. LED	~~\$2.36~~ \$2.31	~~\$7.95~~ \$7.79		~~\$5.59~~ \$5.48
260w. LED	~~\$2.36~~ \$2.31	~~\$8.65~~ \$8.48		~~\$6.29~~ \$6.17
100w.H.P.S.	~~\$6.52~~ \$6.39	~~\$8.27~~ \$8.11		~~\$4.63~~ \$4.54
150w.H.P.S.	~~\$6.54~~ \$6.41	~~\$9.20~~ \$9.02		~~\$5.52~~ \$5.41
200w.H.P.S.	~~\$6.55~~ \$6.42	~~\$10.35~~ \$10.15		~~\$6.68~~ \$6.55
250w.H.P.S.	~~\$6.57~~ \$6.44	~~\$11.38~~ \$11.16		~~\$7.73~~ \$7.58
400w.H.P.S.	~~\$6.58~~ \$6.45	~~\$13.90~~ \$13.63		~~\$10.24~~ \$10.04
*175w.Mer.Vap.	~~\$6.19~~ \$6.07	~~\$9.35~~ \$9.17		~~\$5.71~~ \$5.60
*250w.Mer.Vap.	~~\$6.42~~ \$6.29	~~\$11.26~~ \$11.04		~~\$7.62~~ \$7.47

* No longer available after March 1, 1982.

Lights installed that are not listed in the above rate chart will be billed at the monthly rate associated with the lamp type and size to the nearest lesser wattage rate of a similar type. When a lesser wattage rate is not available, it will be assigned to the nearest rate of a similar type.

The rate for District-owned systems includes routine maintenance and replacement of light emitting diode
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(LED), high pressure sodium (HPS), and Mercury Vapor lamps, photocells and luminaries. The monthly rate for Induction (IND) type lighting does not include routine maintenance and replacement. Routine maintenance and replacement of Induction lighting is the customers' responsibility. The rate does not cover unusual damage or failure of the system requiring major component replacements. Maintenance of the system will be performed during normal District working hours. It is the customer's responsibility to provide ingress/egress easements for the District to perform any necessary repairs. Customer will provide trench and backfill for installation or replacement of underground conditions. The cost of additional District-owned poles (wood or metal) including installation is to be collected by the District at the time of construction.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District.

SCHEDULE 61 SECURITY LIGHTING

AVAILABLE: In all territory served by the District.

APPLICABLE: To any electric customer where the District has existing facilities or public accessible locations.

TYPE OF LIGHTING: The District will furnish and install lighting fixtures, overhead, electrical equipment, lamps and electric energy, and will maintain and relamp the units.

MONTHLY RATES: Where a suitable pole for mounting the luminaries exists, the District will furnish and maintain the above described service at the following monthly rate:

	Customer-Owned Facilities			District-Owned Facilities	
Type & Size of lamp	Metered	Unmetered	Energy Only	Metered	Unmetered
46w. LED		~~\$4.72~~ \$4.29	~~\$1.28~~ \$1.16		~~\$8.48~~ \$7.71
58w. LED		~~\$4.83~~ \$4.39	~~\$1.60~~ \$1.45		~~\$8.69~~ \$7.90
*100w.H.P.S.		~~\$7.08~~ \$6.44	~~\$2.75~~ \$2.50	~~\$9.96~~ \$9.05	~~\$12.72~~ \$11.56
*150w.H.P.S.		~~\$8.84~~ \$8.04	~~\$4.26~~ \$3.87	~~\$10.45~~ \$9.50	~~\$14.04~~ \$12.76
*175w.Mer.Vap.		~~\$9.17~~ \$8.34	~~\$5.08~~ \$4.62	~~\$9.99~~ \$9.08	~~\$14.30~~ \$13.00
*250w.Mer.Vap.		~~\$12.21~~ \$11.10	~~\$7.76~~ \$7.05	~~\$10.33~~ \$9.39	~~\$17.06~~ \$15.51
*400w.Mer.Vap.		~~\$16.34~~ \$14.85	~~\$11.77~~ \$10.70	~~\$10.41~~ \$9.46	~~\$21.15~~ \$19.23
*1000w.Mer.Vap.		~~\$33.32~~ \$30.29	~~\$28.04~~ \$25.49	~~\$10.36~~ \$9.42	~~\$38.38~~ \$34.89

Lights installed that are not listed in the above rate chart will be billed at the monthly rate associated with the lamp type and size to the nearest lesser wattage rate of a similar type. When a lesser wattage rate is not available, it will be assigned to the nearest rate of a similar type.

The District no longer installs poles for the sole purpose of security light installation. For customers with preexisting installations, the District will continue to maintain poles at the monthly rates listed below added to the rate for the luminaire.

Standard Wood Pole, 30-35 feet	~~\$3.78~~ \$3.44
Standard Wood Pole with an	
Underground Feed, 30-35 feet	~~\$5.76~~ \$5.24
**Direct Burial Steel with an	
Underground Feed, 30 feet.....	~~\$6.78~~ \$6.16

The above charge will be applicable where the installation is made on a non-District joint use pole.

* No longer available for future installation.

** Not available as a standard installation after April 1, 1975.

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SPECIAL CONDITIONS: The property owner shall agree to accept and pay for the service set forth in this rate schedule for a minimum period of three years.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District. If a customer would like to request a change to their light type, please contact Benton PUD at 509-582-2175 for a cost estimate.

SCHEDULE 71
SMALL AGRICULTURAL IRRIGATION

AVAILABLE: In all territory served by the District.

APPLICABLE: To electric services primarily used in irrigation pumping for agricultural food production on a commercial consumption basis or for services used in livestock food production with 300 horsepower or less. Energy delivered under this schedule may also be used for lighting essential to the pumping operation.

CHARACTER OF SERVICE: Sixty hertz alternating current, single-phase and three-phase, at available secondary voltage. At the discretion of the District single-phase service may be furnished provided individual motor capacity is not in excess of 7.5 horsepower.

RATE:

Daily System Charge:
\$0.20 per day

Monthly Energy Charge:
\$0.0562 per kWh

Monthly Demand Charge:
~~\$4.15~~~~\$3.60~~ per kW

MINIMUM MONTHLY BILL: Shall be the daily system charge before any applicable adjustments.

BILLING DEMAND: The billing demand shall be the measured demand for the month.

Demand measurement shall be made by suitable instruments at the point of delivery. Demand for any month shall be defined as the average kilowatt delivery during the rolling thirty-minute interval in which the consumption of energy is the greatest during the month for which determination is made.

POINT OF DELIVERY: The above rates are based upon the supply of service through a single delivery and metering point.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District.

SCHEDULE 72
LARGE AGRICULTURAL IRRIGATION

AVAILABLE: In all territory served by the District.

APPLICABLE: To agricultural irrigation power in excess of 300 horsepower served by one meter or as covered by special power sales contract and not subject to the District's Miles of Line Charge served by the District's distribution system.

CHARACTER OF SERVICE: Sixty hertz alternating current, three-phase, sixty-hertz, at available secondary voltage.

RATE:

Daily System Charge:

\$1.29 per day

Monthly Energy Charge:

\$0.0476 per kWh

Monthly Demand Charge:

~~\$4.35~~\$3.85 per kW

MINIMUM MONTHLY BILL: Shall be the daily system charge before any applicable adjustments.

BILLING DEMAND: The billing demand shall be the measured demand for the month

Demand measurement shall be made by suitable instruments at the point of delivery. Demand for any month shall be defined as the average kilowatt delivery during the rolling thirty-minute interval in which the consumption of energy is the greatest during the month for which determination is made.

POINT OF DELIVERY: The above rates are based upon the supply of service through a single delivery and metering point or as specified in a special power sales contract.

POWER FACTOR ADJUSTMENTS:

If the average power factor at which power is delivered to the customer during the billing period is 95% or more or the Billing Demand is less than 50 kW, no Power Factor Adjustment will be made.

If the average power factor at which power is delivered to the customer during the billing period is less than 95% and the Billing Demand is more than 50 kW, then a Power Factor Adjustment will be included on the monthly bill. This adjustment will consist of:

1. Calculate the average power factor using the formula below (rounded to four decimals)
2. Subtract the average power factor calculated in step 1 from 95% (rounded to two decimals)
3. Multiply the average power factor difference calculated in step 2 by the Billing Demand (rounded to nearest whole number)

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4. Multiply the product calculated in step 3 by the Monthly Demand Charge rate to determine the Power Factor Adjustment amount.

The average power factor will be determined by measurement of kilowatt-hours and kilovolt-ampere reactive hours during the billing period using the following formula:

$$pf = \frac{kWh}{\sqrt{(kWh)^2 + (kvarh)^2}}$$

Where pf = Average Power Factor

Where kWh = Kilowatt-Hours

Where kvarh = Kilovolt-Ampere Reactive Hours

The meter measuring kilovolt-ampere reactive hours shall be ratcheted to prevent reverse rotation when the power factor of the load is leading. If the meter does not measure kilovolt-ampere reactive hours, no Power Factor Adjustment will be made.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract.

INCREMENTAL LOAD: Additional irrigation load for a customer served under this schedule is to be billed under this same schedule.

SCHEDULE 73
LARGE AGRICULTURAL IRRIGATION PUMPING STATION WITH MILES OF LINE CHARGE

AVAILABLE: In all territory served by the District.

APPLICABLE: To agricultural irrigation power in excess of 300 horsepower served by one meter, served by a District substation at 2.4kV or higher voltage, or as covered by special power sales contract and subject to the District's Miles of Line Charge.

CHARACTER OF SERVICE: Sixty hertz alternating current, three-phase, at available secondary voltage.

RATE:

Monthly Miles of Line Charge:

\$265.41 per mile of distribution feeder line

Monthly Energy Charge:

\$0.0447 per kWh

Monthly Demand Charge:

~~\$5.23~~~~\$4.55~~ per kW

MINIMUM ANNUAL BILL: Shall be the Monthly Miles of Line Charge before any applicable adjustments.

MILES OF LINE CHARGE: Monthly miles of line charge will be based on each customer's miles of distribution line that serve irrigation load. The District's geographical information system (GIS) will be utilized to determine the miles of line for each customer and will be updated on an annual basis in accordance with the District's internal directive.

BILLING DEMAND: The billing demand shall be the measured demand for the month.

Demand measurement shall be made by suitable instruments at the point of delivery. Demand for any month shall be defined as the average kilowatt delivery during the rolling thirty-minute interval in which the consumption of energy is the greatest during the month for which determination is made.

POINT OF DELIVERY: The above rates are based upon the supply of service through a single delivery and metering point or as specified in a special power sales contract.

POWER FACTOR ADJUSTMENTS:

If the average power factor at which power is delivered to the customer during the billing period is 95% or more or the Billing Demand is less than 50 kW, no Power Factor Adjustment will be made.

If the average power factor at which power is delivered to the customer during the billing period is less than 95% and the Billing Demand is more than 50 kW, then a Power Factor Adjustment will be included on the monthly bill. This adjustment will consist of:

1. Calculate the average power factor using the formula below (rounded to four decimals)
2. Subtract the average power factor calculated in step 1 from 95% (rounded to two decimals)

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3. Multiply the average power factor difference calculated in step 2 by the Billing Demand (rounded to nearest whole number)
4. Multiply the product calculated in step 3 by the Monthly Demand Charge rate to determine the Power Factor Adjustment amount.

The average power factor will be determined by measurement of kilowatt-hours and kilovolt-ampere reactive hours during the billing period using the following formula:

$$pf = \frac{kWh}{\sqrt{(kWh)^2 + (kvarh)^2}}$$

Where pf = Average Power Factor

Where kWh = Kilowatt-Hours

Where kvarh = Kilovolt-Ampere Reactive Hours

The meter measuring kilovolt-ampere reactive hours shall be ratcheted to prevent reverse rotation when the power factor of the load is leading. If the meter does not measure kilovolt-ampere reactive hours, no Power Factor Adjustment will be made.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract.

INCREMENTAL LOAD: Additional irrigation load for a customer served under this schedule is to be billed under this same schedule.

SCHEDULE 74
AGRICULTURAL IRRIGATION SPRINKLER WHEELTURNING

AVAILABLE: In all territory served by the District.

APPLICABLE: To agricultural irrigation power for wheelturning for customers that are not subject to the Miles of Line Charge.

CHARACTER OF SERVICE: Sixty hertz alternating current, three-phase, at available secondary voltage.

RATE:

Monthly Energy Charge:

\$0.0527 per kWh

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract.

SCHEDULE 75
AGRICULTURAL IRRIGATION SPRINKLER WHEELTURNING
WITH MILES OF LINE

AVAILABLE: In all territory served by the District.

APPLICABLE: To agricultural irrigation power for wheelturning for customers that are subject to the Miles of Line Charge.

CHARACTER OF SERVICE: Sixty hertz alternating current, three-phase, at available secondary voltage.

RATE:

Monthly Energy Charge:

\$0.0460 per kWh

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract.

SCHEDULE 76
LARGE AGRICULTURAL IRRIGATION PUMPING STATION

AVAILABLE: In all territory served by the District.

APPLICABLE: To agricultural irrigation power in excess of 300 horsepower served by one meter, served by a District substation at 2.4kV or higher voltage, or as covered by special power sales contract.

CHARACTER OF SERVICE: Sixty hertz alternating current, three-phase, at available secondary voltage.

RATE:

Daily System Charge:

\$1.29 per day

Monthly Energy Charge:

\$0.0447 per kWh

Monthly Demand Charge:

\$4.52~~\$3.93~~ per kW

MINIMUM ANNUAL BILL: Shall be the Daily System Charge before any applicable adjustments.

BILLING DEMAND: The billing demand shall be the measured demand for the month.

Demand measurement shall be made by suitable instruments at the point of delivery. Demand for any month shall be defined as the average kilowatt delivery during the rolling thirty-minute interval in which the consumption of energy is the greatest during the month for which determination is made.

POINT OF DELIVERY: The above rates are based upon the supply of service through a single delivery and metering point or as specified in a special power sales contract.

POWER FACTOR ADJUSTMENTS:

If the average power factor at which power is delivered to the customer during the billing period is 95% or more or the Billing Demand is less than 50 kW, no Power Factor Adjustment will be made.

If the average power factor at which power is delivered to the customer during the billing period is less than 95% and the Billing Demand is more than 50 kW, then a Power Factor Adjustment will be included on the monthly bill. This adjustment will consist of:

1. Calculate the average power factor using the formula below (rounded to four decimals)
2. Subtract the average power factor calculated in step 1 from 95% (rounded to two decimals)
3. Multiply the average power factor difference calculated in step 2 by the Billing Demand (rounded to nearest whole number)

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4. Multiply the product calculated in step 3 by the Monthly Demand Charge rate to determine the Power Factor Adjustment amount.

The average power factor will be determined by measurement of kilowatt-hours and kilovolt-ampere reactive hours during the billing period using the following formula:

$$pf = \frac{kWh}{\sqrt{(kWh)^2 + (kvarh)^2}}$$

Where pf = Average Power Factor

Where kWh = Kilowatt-Hours

Where kvarh = Kilovolt-Ampere Reactive Hours

The meter measuring kilovolt-ampere reactive hours shall be ratcheted to prevent reverse rotation when the power factor of the load is leading. If the meter does not measure kilovolt-ampere reactive hours, no Power Factor Adjustment will be made.

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract.

INCREMENTAL LOAD: Additional irrigation load for a customer served under this schedule is to be billed under this same schedule.

SCHEDULE 80
NEW LARGE SINGLE LOAD

AVAILABLE: In all territory served by the District.

APPLICABLE: To new large industrial loads greater than 10,000 kW demand, served under a power sales contract with the District.

CHARACTER OF SERVICE: Sixty hertz alternating current of such phase and voltage as the District may have available.

RATE: New large load customers will be served at rates determined under a contract negotiated with the District.

SCHEDULE 85
FLATS - UNMETERED ELECTRIC SERVICE

AVAILABLE: In all territory served by the District.

APPLICABLE: To electric services with fixed and known monthly kWh usages designated by the District. Examples of this include, but are not limited to, flashing crosswalk lights, amplifiers for cable TV, etc.

CHARACTER OF SERVICE: Sixty hertz alternating current, single-phase, at available secondary voltage.

RATE:

Monthly Energy Charge:

~~\$0.0820~~~~\$0.0745~~ per kWh

GENERAL TERMS AND CONDITIONS: Service under this classification is subject to the Customer Service Policies of the District or as specified in a special power sales contract.

SCHEDULE 90
INTERCONNECTION AND
CONSTRUCTION OPERATION AND MAINTENANCE AGREEMENTS

AVAILABLE: In all territory served by the District.

APPLICABLE: To interconnection agreement customers generating not more than 300kW measured demand at all times. To transfer of power agreements, and construction operation and maintenance agreements. A connection fee may apply per the District's Standards for Interconnection with Electric Generators with a capacity of not more than 300 kilowatts.

CHARACTER OF SERVICE: Sixty hertz alternating current of such phase and voltage as the District may have available.

RATE:

Monthly Energy Charge:

\$0.0507 per kWh

POINT OF DELIVERY: The above rates are based upon the supply of service to the entire premises through a single delivery and metering point. Separate supply for the same customer at other points of consumption shall be separately metered and billed.

GLOSSARY

DAILY SYSTEM CHARGE: Rate component designed to recover certain fixed costs involved in providing electricity to a home or business, including such things as maintaining substations, poles and lines, meters, issuing bills, and maintaining records. There is a minimum level of infrastructure required to serve a customer.

MONTHLY ENERGY CHARGE: Rate component designed to recover variable power supply costs. Monthly energy charge currently includes a portion of fixed costs.

MONTHLY DEMAND CHARGE: Rate component designed to recover fixed costs associated with sizing the system to handle the maximum amount of energy consumed at a moment in time. The demand measured by the District's meter during each billing period shall be rounded to the nearest whole number.