



RENEWABLE ENERGY SYSTEM COST RECOVERY ANNUAL INCENTIVE PAYMENT PROGRAM AGREEMENT

For Customer-Owned, Grid Connected,
Renewable Electric Generating Systems

This **RENEWABLE ENERGY SYSTEM COST RECOVERY ANNUAL INCENTIVE PAYMENT PROGRAM AGREEMENT** (“Agreement”) is between _____ (“Customer”) and Mason County PUD No.3 (“PUD”). Customer and PUD may be referred to collectively herein as “Parties” and individually as “Party.”

1. CUSTOMER ELECTRIC GENERATING SYSTEM

1.1 Customer’s Application for Renewable Energy System Cost Recovery Annual Incentive Payment, including the location of the electrical generating installation and details on the electrical generating unit(s), for Renewable Energy System is hereby incorporated into this Agreement as Appendix A.

System Location/Address:			
System Manufacturer:			
Model (Name and Number):			
Name Plate Electrical Capacity:			
Name Plate Data:		kW	Volts (Single or Three Phase)
GPS Coordinates:			
Tilt:	Azimuth:	Est. Shading:	
Energy Source: (Solar or Wind or Anaerobic Digester)			
Washington State Department of Revenue System Certification Date:			
Is this system Customer Owned? <input type="checkbox"/> Third Party Owned? <input type="checkbox"/>			

1.2 Customer has elected, in accordance with Chapter 36, Laws of 2017, 3rd Sp. Sess (ESSB 5939); RCW 82.16; and Resolution No. 1625 to operate, at his/her own expense, a renewable energy generating system using either solar, wind or anaerobic digester, aggregated at the service interconnection point, in parallel with the PUD’s electrical system in order to qualify for state approved incentive payments for a portion or all of the renewable energy produced.

1.3 A separate agreement shall be entered into for each interconnection point of Customer-Generator.

1.4 The electrical generating system shall include all equipment necessary to meet applicable safety, power quality, and interconnection requirements established by the latest revisions of National Electrical Code (Articles 690 and 705), National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, and the PUD’s Interconnection Standards, as set forth in Appendix B, which is attached hereto and incorporated herein.

1.5 The PUD shall have the sole authority to determine which interconnection requirements set forth herein (including appendices) are applicable to Customer's proposed installation.

1.6 Customer shall be fully responsible for the costs and performance of designing, installing, owning, operating, and maintaining Customer's: (a) Generating facility; (b) Control and protective devices; (c) Interconnection facilities on Customer's property that may be required to deliver power from Customer's generation facilities to the agreed point of interconnections with PUD's system.

2. TERMS OF METERING AND INCENTIVE PAYMENT FACILITATION

2.1 The PUD shall verify the total energy produced by Customer's renewable energy system for the previous fiscal year beginning on July 1st and ending on June 30th. Application for the incentive payment must be made by the Customer by August 1st each year.

2.2 The PUD will facilitate payment to Customer for electricity delivered in accordance with and at the payment level(s) set forth in SB 5101 and codified in RCW 82.16.120; and/or ESSB 5939, where applicable.

2.3 Customer shall supply a certified revenue meter that meets or exceeds the standards as set forth by ANSI C12.20 for the purpose of metering the annual output of Customer's renewable generating system.

2.4 Customer shall allow PUD to install a tamper-proof seal on Customer's revenue meter. Removal of such seal without the consent of PUD shall result in voidance of incentive payment eligibility for the fiscal year in which seal tampering occurred.

2.5 Customer must meet all requirements of WAC 458-20-273 *Washington State renewable energy system cost recovery incentive payment program* and WAC 504-49 *Renewable Energy System Incentive Program*, including the state system certification requirements in order to qualify for the incentive payment. Properties purchased with existing interconnected net metered systems must be re-certified with the state under the new owner. Similarly, systems that are changed in any physical way must be re-certified with the state.

3. INTERRUPTION OR REDUCTION OF DELIVERIES

3.1 The PUD may require Customer to interrupt or reduce deliveries as follows: (a) when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or part of its system; or (b) if the PUD determines that curtailment, interruption, or reduction is necessary because of emergencies, or compliance with good electrical practices as determined by the PUD. PUD shall not be liable to Customer under any circumstances for loss of production from the renewable energy system caused by any interruption or reduction in service.

3.2 To the extent reasonably practicable, the PUD shall give Customer notice of possible interruption or reduction of deliveries.

3.3 Notwithstanding any other provision of this Agreement, if at any time the PUD determines that either (a) the facility may endanger PUD personnel, or (b) the

continued operation of Customer's facility may endanger the integrity of the PUD's electric system, the PUD shall have the right to disconnect Customer's facility from the PUD's electric system. Customer's facility shall remain disconnected until such time as PUD is satisfied that the condition(s) that caused the problems referenced in (a) or (b) of this section 3.3 have been corrected.

4. INTERCONNECTION

- 4.1 Customer shall comply with PUD's Interconnection Standards set forth in Appendix B and the Net Metering Application & Compliance Form set forth in Appendix C, which are attached and shall pay for designing, installing, inspecting, operating, and maintaining the electric generating system in accordance with all applicable laws and regulations.
- 4.2 Prior to commencing operations, and as a condition of receiving PUD approval for commencement of operations under Section 4.3, Customer shall deposit with the PUD an interconnection charge consisting of: (a) the cost to the PUD to install any special or additional interconnection facilities on its electric system, if necessary, to accommodate the flow of electricity from the generator on to the PUD's electric system, including, but not limited to, metering, control and protective devices, and reinforcement of its system; (b) any charges due the PUD under its Schedule 5 Line Extension Policy; and (c) the cost of any time and materials expended by PUD staff for engineering, reviewing plans, inspection, or other activities related to installation and interconnection of the generator not otherwise recovered under the provisions of this Paragraph 4.2.
- 4.3 Customer shall submit equipment specifications and detailed plans, including one-line diagrams, for the installation of the generator and associated interconnection, safety, and control equipment and wiring to the PUD for its review and advance written approval prior to actual installation. Customer shall not commence parallel operation of the generating system until inspection and written approval of the interconnection has been given by the PUD. Such approval shall not be unreasonably withheld. The PUD shall have the right to have representatives present at the initial testing of Customer's protective apparatus, and the Customer shall notify the PUD of his/her intent to test the generating system not less than two (2) working days prior to the scheduled test.
- 4.4 Once in operation, Customer shall make no changes or modifications in the equipment, wiring, or the mode of operation without the prior written approval of the PUD.

5. MAINTENANCE AND PERMITS

Customer shall: (a) maintain the electric generating system and interconnection facilities in a safe and prudent manner and in conformance with all applicable laws and regulations including, but not limited to, PUD's Interconnection Standards, Appendix B; (b) obtain any governmental authorizations and permits required for the construction and operation of the electric generating system and interconnection facilities, including electrical permit; (c) reimburse PUD for any and all losses, damages, claims, penalties, or liability it incurs as a result of Customer's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of Customer's generating system or failure to maintain Customer's facility as required in this Section.

6. ACCESS TO PREMISES

The PUD may enter Customer's premises or property to inspect at all hours, Customer's protective devices and to read meter(s); and to disconnect the interconnection facilities at the PUD's meter or transformer, without notice, if, in the PUD's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or the PUD's facilities, or property of others from damage or interference caused by Customer's electric generating facilities, or lack of properly operating protective devices or inability to inspect the same.

7. INDEMNITY AND LIABILITY

The Customer hereby indemnifies and agrees to hold harmless and release Mason County PUD No. 3 and its elected officials, officers, employees and agents and each of the heirs, personal representatives, successors and assigns of any of the foregoing (collectively, the "Indemnitees") from and against any and all losses, claims, damages, costs, demands, fines, judgments, penalties, obligations, payments and liabilities, together with any costs and expenses (including without limitation attorneys' fees and out-of-pocket expenses and investigation expenses) incurred in connection with any of the foregoing, resulting from, relating to or arising out of or in connection with: (a) any failure or abnormality in the operation of the Customer's generating system or any related equipment; (b) any failure of the Customer to comply with the standards, specifications, or requirements referenced in this Agreement (including appendices hereto) which results in abnormal voltages or voltage fluctuations, abnormal changes in the harmonic content of the generating facility output, single phasing, or any other abnormality related to the quantity or quality of the power produced by the generating facility; (c) any failure of the Customer duly to perform or observe any term, provision, covenant, agreement or condition hereunder to be performed by or on behalf of the Customer or (d) any negligence or intentional misconduct of Customer related to operation of the generating system or any associated equipment or wiring.

8. FORCE MAJEURE

8.1 Suspension of Obligations. Neither Party shall be liable to the other for, or be considered to be in breach of or default under this Agreement because of, any failure or delay in performance by such Party under this Agreement to the extent such failure or delay is caused by or results from any such cause or condition which is beyond such Party's reasonable control, or which such Party is unable to prevent or overcome by exercise of reasonable diligence (any such cause or condition, a "Force Majeure"), including breach of contract or failure of performance by any person providing services to the PUD.

8.2 Notice; Required Efforts to Resume Performance. Any Party claiming Force Majeure shall give the other Party maximum practicable advance notice of any failure or delay resulting from a Force Majeure, and shall use its reasonable best efforts to overcome the Force Majeure and to resume performance as soon as possible; provided however, that nothing in this Agreement shall be construed to require either Party to settle any labor dispute in which it may be involved.

8.3 No Excuse of Payment Obligations. Notwithstanding any other provision of this Agreement, in no event shall a Force Majeure excuse a Party's failure or delay to

pay any amounts due and owing to the other Party under or pursuant to this Agreement.

9. **INDEPENDENT CONTRACTORS**

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

10. **ASSIGNMENT; BINDING AGREEMENT**

The Customer shall not assign its rights under this Agreement to any other Party without the express written consent of the PUD. The PUD may impose reasonable conditions on any such assignment to ensure that all of Customer's obligations under this Agreement are met and that none of Customer's obligations are transferred to the PUD as a result of default, bankruptcy, or any other cause.

11. **NO THIRD PARTY BENEFICIARIES**

Except as expressly set forth in this Agreement, none of the provisions of this Agreement shall inure to the benefit of or be enforceable by any third party.

12. **ENTIRE AGREEMENT**

This Agreement and the Exhibits attached hereto set forth the entire agreement of the Parties and supersede any and all prior agreements with respect to the subject matter of this Agreement. The rights and obligations of the Parties hereunder shall be subject to and governed by this Agreement.

13. **GOVERNING LAW; VENUE**

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington (regardless of the laws that might otherwise govern under applicable principals of conflicts of law of such state). Venue for any action arising under or in connection with this Agreement shall be in the Superior Court for Mason County, Washington, or in the United States District Court for the Western District of Washington.

14. **RULES OF CONSTRUCTION; STATUTORY REFERENCES**

No provision of this Agreement shall be construed in favor of or against either of the Parties hereto by reason of the extent to which any such Party or its counsel participated in the drafting thereof or by reason of the extent to which such provision or any other provision or provisions of this Agreement is or are inconsistent with any prior draft thereof. Any reference to statutes or laws will include all amendments, modifications, or replacements of the specific sections and provisions concerned.

15. **AMENDMENT, MODIFICATIONS OR WAIVER**

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

16. **NOTICES AND OTHER COMMUNICATIONS**

Notice Methods and Addresses: All notices, requests, demands and other communications required or permitted to be given under this Agreement shall be given in writing (a) by personal delivery, (b) by recognized overnight air courier service, (c) by United States postal service, postage prepaid, registered or certified mail, return receipt requested, or (d) by facsimile transmission, using facsimile equipment providing written confirmation of successfully completed transmission to the receiving facsimile number. All notices to either Party shall be made to the addresses set forth below. Any notice shall be deemed to have been given on the date delivered, if delivered personally, by overnight air courier service or by facsimile transmission; or, if mailed, shall be deemed to have been given on the date shown on the return receipt as the date of delivery or the date on which the United States postal service certified that it was unable to deliver, whichever is applicable.

MASON COUNTY PUD NO. 3:

ATTN: Conservation Dept.
*2621 E. John's Prairie Rd.
P.O. Box 2148
Shelton, Washington 98584
Telephone: (360) 426-8255
FAX: (360) 426-3612

**If using the United States Postal Service, send to the P.O. Box, as the U.S.P.S. does not deliver to the physical address.*

CUSTOMER:

Name: _____

Address: _____

Telephone: _____

Email: _____

17. **APPENDICES**

The Agreement includes the following appendices attached and incorporated by reference:

Appendix A: Renewable Energy System Cost Recovery Annual Incentive Payment Application

Appendix B: Mason County PUD NO. 3's Interconnection Standards for Customer-Owned, Grid Connected Electric Generating Systems of 100 kilowatts or Less.

Appendix C: Net Metering and Compliance Form

18. **TERM OF AGREEMENT**

This Agreement shall be in effect when signed by the Customer and PUD 3 for an initial term of one year, and shall remain in effect thereafter from month to month unless terminated by either party with thirty (30) days' advance written notice to the other.

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives.

CUSTOMER

MASON COUNTY PUD NO. 3

Signature

Signature

Print Name

Print Name

Date

Date

Updated 05/12/2015