



**In-State Production Incentives
for
Renewable Energy Development (INSPIRED) Program
Agreement**

THIS AGREEMENT (the "Agreement") for the In-State Production Incentives for Renewable Energy Development (INSPIRED) Program (the "Program") is made as of this _____ day of _____ in the year _____ by and between PUD #1 of Clallam County (the District), and _____ (Customer-Generator"). The District and the Customer-Generator are sometimes referred to herein individually as "the Party" and collectively as "the Parties".

RECITALS

- A. The District is a municipal corporation engaged in the sale and distribution of electric energy.
- B. Customer-Generator receives electrical service from the District at rates contained in the District's electric schedule and desires to obtain incentive payments from the District.
- C. If Customer-Generator's generation system is interconnected with the District's electric transmission or distribution system, the Customer-Generator has previously entered into and is currently engaged in an Interconnection Agreement with the District. Said agreement contains all terms and conditions necessary for the safe and reliable interconnection of the Customer-Generator's electrical generation system and allows the parallel operation of said equipment with the District's distribution network, herein after referred to as "the grid".
- D. All terms and conditions relating to the interconnection of the Customer-Generator's electrical generation system will only be addressed in the aforementioned Interconnection Agreement. All rules relating to interconnection that may be a part of this Agreement shall be controlled by the aforementioned Interconnection Agreement.
- E. All payment structures, rates and calculations shall be based upon the table outlined in the Payments section of the District's INSPIRED Program Overview.
- F. All Applications, Washington State Certifications, exclusions, term of the Program and customer information terms and conditions shall be based upon the applicable sections of the District's INSPIRED Program Overview, which is subject to revision at any time.
- G. The District's participation in the Washington State Renewable Energy Cost Recovery program via the INSPIRED Program is strictly voluntary and may be modified or terminated at any time.

AGREEMENT

The District and Customer-Generator agree as follows:

1. **Definitions** - All terms defined in the District's Electric Rate Schedules, Electric Service Regulations and Interconnection Agreement shall have the same meanings in this Agreement unless otherwise indicated.
 2. **Application** –
 - 2.1. First Year Program Participation
 - 2.1.1. To be eligible for payment for renewable energy production during the INSPIRED Program Year (July 1 – June 30), Customer-Generators must submit the following materials to the District **by 5:00 pm, August 1st**, for the preceding program year:
 - 2.1.1.1. (2) signed copies of this agreement
 - 2.1.1.2. A completed INSPIRED Program Application form
 - 2.1.1.3. An approved WA Department of Revenue *Renewable Energy System Cost Recovery Certificate*
 - 2.1.1.4. A Photo of the meter for your renewable energy system.
 - Note: If August 1st should fall on a weekend, the above materials will be due to the District by 5:00 p.m. on the Friday preceding August 1st. Late applications will be denied.** The Customer-Generator bears sole responsibility for timely delivery of application materials.
 - 2.1.2. The District shall, within **60** (sixty) days of receiving a complete application packet, review and notify the Customer-Generator in writing of the Application's approval or denial. Denied applications will clearly state the reason for denial and any potential remedies.
 - 2.2 The Customer-Generator, wishing to receive annual incentive payments under terms of the District's Program, grants to the District the following:
 - 2.2.1 The right to review all application and certification documents provided to the State of Washington and those documents provided by the State of Washington to the Customer-Generator relating to the Program.
 - 2.2.2 All other Information necessary to effectuate the processing of the Customer-Generator's Application for the Program.
 - 2.3 Ongoing Program Participation
 - 2.3.1. Providing legal ownership of the renewable energy system(s) and composition of said system(s) remain the same, a new Program Application need not be submitted for second and subsequent years of Program participation, an *INSPIRED Program Annual Renewal Form*, submitted together with a Program *Payment Request* form in accordance with Program policies, will suffice.
3. **Incentive Payments** - In accordance with the terms outlined in the INSPIRED Program Overview, the District agrees to make an annual incentive payment to the Customer-Generator based upon the annual incentive payment renewal information provided by the Customer-Generator.

4. Required Equipment –

- 4.1 The Customer shall install and maintain the revenue grade production meter(s) necessary to measure electricity generated by the Customer-Generators generation system.
- 4.2 The District shall provide to the Customer-Generator the necessary District standards pertaining to the type and location of the meter base(s) for the revenue grade production meter(s) and the Customer-Generator shall install the meter base(s) for the revenue grade production meter(s) in accordance with those standards. Customer-Generator shall bear the total costs associated with acquisition, installation and maintenance of the meter base(s) for the revenue grade production meter(s).
- 4.3 Generation Systems with any form of a battery backup may require one or more advanced revenue grade production meters, capable of measuring electricity flowing to the generation system's batteries and electricity flowing from the generation system's batteries. The District's metering standards outline a variety of configurations and the required number of revenue grade production meters necessary to accurately measure generated electricity. The Customer-Generator may contact the District to evaluate unique generation system configurations.
- 4.4 The Customer-Generator agrees to allow the District all reasonable access to the revenue grade production meter.

5. **Record Retention** - Customer-Generator grants to the District, upon three business days' written notice, the right to inspect and review the Customer-Generator's records substantiating their right to receive the incentive payments and the correct amount of incentive payments. The Customer-Generator shall maintain these records for a period of five years as required by State law. All such information, together with any and all other documents and information furnished to the District under this Agreement shall be provided to the District on a non-confidential basis. The District will exercise due diligence in safeguarding personal information.

6. **Customer Information** - Customer-Generator grants the District permission to receive Customer-Generator's personal information related to the Program from the Washington State Department of Revenue and disclose personal information related to the Program to the Washington State Department of Revenue.

7. Miscellaneous

- 7.1. This Agreement is subject to District rate schedules, regulations, general rules, provisions and other policies that may apply. Such policies may be revised from time to time upon approval of the governing Board. Any conflict between this Agreement and any provisions of the District's approved rate schedules shall be resolved in favor of such schedule provisions.
- 7.2. This Agreement and all of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties; provided, that Customer-Generator shall not assign all or any part of this Agreement (or assign any of its rights under this Agreement or delegate performance of any of its obligations under this Agreement) without the prior written consent of the District.
- 7.3. Customer-Generator shall be and act as an independent contractor (and not as an employee, partner, agent, or representative of the District) in the performance of this Agreement.
- 7.4. This Agreement shall in all respects be interpreted, construed and enforced in accordance with the laws of the State of Washington (without regard to any conflict of law rules).

- 7.5. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the Parties or to impose any partnership obligations or liability upon either of the Parties.
- 7.6. Except as otherwise provided herein, this Agreement, including all exhibits hereto, and the District's policy sets forth the entire agreement between the Parties. This Agreement may not be modified or amended except by written amendment, signed by both Parties hereto.

8. Term of Agreement and Termination

- 8.1. Upon execution by the Parties, this Agreement is effective as of the date appearing below the District Representative's signature and shall remain in effect month to month thereafter unless terminated by: 1) the District upon discovery of non-compliance with Agreement and/or Program terms on the part of the Customer-Generator; or 2) either Party on thirty days' prior written notice; or 3) the conclusion of Washington State's Renewable Energy System Cost Recovery Program in 2014, whichever comes first. Under the Program's current legislative guidelines, July 1, 2013 through June 30, 2014 will be the final program year.
- 8.2. In accordance with Program policies, Customer-Generator's wishing to participate in the Program beyond one year shall annually submit to the District an annual incentive payment renewal application in order to maintain eligibility for incentive payments.
- 8.2.1. Final incentive payment(s) shall be calculated by the kilowatt hours generated and noted on the District's revenue grade production meter at the time of termination.
- 8.2.2. Any payment(s) for the pro-rated portion(s) due the Customer-Generator at the time of termination will be made in accordance with Program rules on the regularly scheduled annual date following the end of the current payment period, regardless of the date of termination.

9. Notices and Other Communications –

- 9.1. 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 by:
- 9.1.1. personal delivery
- 9.1.2. recognized overnight air courier service
- 9.1.3. by United States postal service, postage prepaid, registered or certified mail, return receipt requested, or
- 9.1.4. by facsimile transmission, using facsimile equipment providing written confirmation of successful completed transmission to the receiving facsimile number.
- 9.2. 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.

If to District:

Attention: Utility Services Department

PUD #1 of Clallam County

POB 1090

Port Angeles WA 98362

Ph: 360-565-3249

FAX: 360-452-9724

If to Customer-Generator:

Name: _____

Address: _____

Phone: _____

Phone: _____

11. Signatures

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

| Customer-Generator | The District |
|---------------------------|---------------------|
| <i>Signature</i> | <i>Signature</i> |
| <i>Print Name</i> | <i>Print Name</i> |
| <i>Title</i> | <i>Title</i> |
| <i>Date</i> | <i>Date</i> |