

AGENDA

UTILITY ADVISORY COMMITTEE

September 18, 2025

Hybrid Meeting In-person and via Zoom



<https://us02web.zoom.us/j/88484122683>

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**CITY OF ELLENSBURG
UTILITY ADVISORY COMMITTEE AGENDA
Council Chambers
501 North Anderson Street
Ellensburg, WA 98926
And remotely via Zoom
Thursday, September 18, 2025
3:30 PM - Regular Meeting**

- 1. Call to Order and Roll Call of Members**
- 2. Approval of Agenda (No Public Comment)**
- 3. Approval of Minutes**
 - 3.A June 18 UAC regular meeting minutes
- 4. Approval of Consent Agenda**
- 5. Correspondence and Citizen Comments on Non-Agenda Items**
- 6. Electric, Natural Gas, and Telecommunications Discussion Items**
 - 6.A State Home Electrification and Appliance Rebates (HEAR) Program Grant
 - 6.B City of Ellensburg Decarbonization Planning Strategy Grant
 - 6.C BPA - Provider of Choice Contract
- 7. Energy Services Updates**
 - 7.A Energy Services Updates
- 8. Commission Representative Update**
- 9. Adjournment**



For more information on the Ellensburg Utility Advisory Committee, contact Operations Analyst, Kim Bowie, at 509-962-7124.

The Contents of this agenda have been photocopied on recycled paper.



CITY OF ELLENSBURG

Minutes of Utility Advisory Committee, Regular Meeting

Date of Meeting

June 18, 2025

Time of Meeting

2:30 PM

Place of Meeting

Remotely via Zoom

1. Call to Order and Roll Call of Members

Chair Bousson called the meeting to order at 2:32 pm.

Members present: Nancy Lillquist, City Council (Zoom); Delano Palmer, City Council (arrived via Zoom at 2:40 pm); Jeff Bousson, CWU (Zoom); Fred Springsteen, Utility Customer.

Not present: Bryan Clark, KITTCOM (Absent/no telecom items), Audrey Huerta, Utility Customer (unexcused).

Also present: Buddy Stanavich, Energy Services Director; Kim Bowie, Operations Analyst; Ryan Lyyski, Public Works Director; Rebecca Springer, Water Resource Manager; John Mooers, Rate Analyst.

Ryan Lyyski introduced the new Water Resources Manager, Rebecca Springer.

2. Approval of Agenda

Committee member Lillquist moved to approve the agenda as presented. **Motion approved. 3-0**

3. Approval of Minutes

3.A May 15 UAC regular meeting minutes

Committee member Lillquist moved to approve the regular meeting minutes. **Motion approved. 3-0**

4. Approval of Consent Agenda

No consent items.

5. Correspondence and Citizen Comments on Non-Agenda Items

No comments.

6. Telecommunications Utility Discussion Items

No telecom items.

7. Electric, Natural Gas, Water, Wastewater, Stormwater Utility Discussion Items

7.A Board and Commission Changes

Committee member Lillquist moved to forward a favorable recommendation to City Council to approve the board and commissions amendments.

8. Staff Informational Items

- 8.A Execution of a contract renewal with 120 Water, Inc. for consulting services related to the Lead Service Line Inventory

Committee member Lillquist suggested reaching out to local contractors to see if they have records of water pipes installed on the customer side.

- 8.B Public Works and Utilities Updates
Staff shared Public Works updates.

9. Commission Representative Update

Nancy Lillquist attended a resource adequacy webinar. Delano Palmer attended the Yakima Fish and Wildlife Recovery board meeting in place of Nancy.

10. Adjournment

Meeting adjourned at 3:08 pm



Meeting Date: September 18, 2025
City of Ellensburg
Utility Advisory Committee Agenda Report

Agenda Subject: State Home Electrification and Appliance Rebates (HEAR) Program Grant
Submitted by: Nichole Baker, Sustainability & Energy Coordinator
Department: Energy Services

Suggested Motion/Action:
None - Information only

Background/Summary:
The State Home Electrification and Appliance Rebates (HEAR) Program Grant program provided rebates and incentives for heat pumps, heat pump water heaters, induction stoves, heat pump clothes dryers, and electric service upgrades for new high-efficiency equipment for low- to moderate-income households and small businesses. The contract with the Washington State Department of Commerce was executed on August 16, 2024, for a contract period of 5/1/2024-6/30/2025, and closed out on 7/24/2025.

Previous Council Action:
An application was submitted on March 29, 2024. On May 2, 2024, the Washington State Department of Commerce (Commerce) issued a preliminary funding award of \$4,167,455, which was subsequently revised to \$4,160,788 on May 13, 2024. Following City Council approval on May 6, 2024, the City formally accepted the award and notified Commerce on May 7, 2024.

In accordance with GEO 21-02, Tribal consultation commenced on June 27, 2024. A Cultural Resources Management Plan was completed by Plateau CRM on August 22, 2024.

In July 2024, the City published a Request for Qualifications (RFQ) for a subcontractor to serve low-income single- and multifamily households with household income of 80% or less of Area Median Income. After receiving Commerce approval on August 5, 2024 and City Council approval on September 3, 2024, the City entered into a Professional Services Agreement with HopeSource on September 4, 2024. The agreement was later amended to expand funding for low-income households.

Analysis:
The total grant funding available amounted to \$4,160,788, inclusive of up to 15% allocated for administrative, and outreach and education expenses. Of this amount, \$4,125,824.51 was expended, resulting in \$34,953.49 in unspent funds. The unutilized balance reflects unused outreach funding allocated to the low-income subcontractor.

Financial Impact:

This grant provided \$4,125,834.51 in grant funds. There is no match required for this grant.

Budget Adjustment: No

Attachments:

1. 24-92701-004_City_of_Ellensburg_EXECUTED
2. 24-92701-004_City_of_Ellensburg-Closeout_Letter_EXECUTED



Interagency Agreement with

City of Ellensburg

through

State Home Electrification and Appliance Rebates Program

**Contract Number:
24-92701-004**

For

City of Ellensburg - Electrification and Appliance Rebates Program

Dated: Wednesday, May 1, 2024



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Face Sheet

Contract Number: 24-92701-004

Energy Division Clean Buildings Unit Home Electrification and Appliance Rebates Program

1. Contractor City of Ellensburg 501 N Anderson St Ellensburg, WA 98926		2. Contractor Doing Business As (as applicable) N/A	
3. Contractor Representative Nichole Baker Sustainability and Energy Coordinator (509) 962-7271 bakern@ellensburgwa.gov		4. COMMERCE Representative Aaron Dumas Program Manager (564) 999-1414 Aaron.dumas@commerce.wa.gov <div style="float: right; text-align: right;"> PO Box 42525 1011 Plum St. SE Olympia, WA 98504 </div>	
5. Contract Amount \$4,160,788	6. Funding Source Federal: <input type="checkbox"/> State: <input checked="" type="checkbox"/> Other: <input type="checkbox"/> N/A: <input type="checkbox"/>		7. Start Date 5/1/2024
8. End Date 6/30/2025			
9. Federal Funds (as applicable) N/A		Federal Agency: N/A	
ALN: N/A			
10. Tax ID # 91-6001245	11. SWV # SWV008367-03	12. UBI # 192-000-016	13. UEI # SFRMWQVG79M5
14. Contract Purpose To administer a program that provides rebates and incentives to low- and moderate-income households and small businesses to purchase and install high-efficiency electric equipment and appliances.			
COMMERCE, defined as the Department of Commerce, and the Contractor, as defined above, acknowledge and accept the terms of this Contract and Attachments and have executed this Contract on the date below and warrant they are authorized to bind their respective agencies. The rights and obligations of both parties to this Contract are governed by this Contract and the following documents incorporated by reference: Contractor Terms and Conditions including Attachment "A" – Scope of Work, Attachment "B" – Budget, Attachment "C" – Program Work Plan			
FOR CONTRACTOR DocuSigned by:  <small>59F43D45A53648D...</small> Heidi Behrends Cerniwey, MPA, ICMA-CM City Manager 8/16/2024 10:14 AM CDT Date		FOR COMMERCE DocuSigned by:  <small>10B18292655448A...</small> Michael Furze, Assistant Director Energy Division 8/16/2024 2:20 PM PDT Date APPROVED AS TO FORM ONLY BY ASSISTANT ATTORNEY GENERAL APPROVAL ON FILE	



Special Terms and Conditions

1. AUTHORITY

COMMERCE and Contractor enter into this Contract pursuant to the authority granted by Chapter 39.34 RCW.

2. ACKNOWLEDGEMENT OF CLIMATE COMMITMENT ACT FUNDING

If this Agreement is funded in whole or in part by the Climate Commitment Act, Grantee agrees that any website, announcement, press release, and/or publication (written, visual, or sound) used for media-related activities, publicity, and public outreach issued by or on behalf of Grantee which reference programs or projects funded in whole or in part with Washington’s Climate Commitment Act (CCA) funds under this Grant, shall contain the following statement:

“The Home Electrification and Appliance Rebates Program is supported with funding from Washington’s Climate Commitment Act. The CCA supports Washington’s climate action efforts by putting cap-and-invest dollars to work reducing climate pollution, creating jobs, and improving public health. Information about the CCA is available at www.climate.wa.gov.”

The Grantee agrees to ensure coordinated Climate Commitment Act branding on work completed by or on behalf of the Grantee. The CCA logo must be used in the following circumstances, consistent with the branding guidelines posted at [CCA brand toolkit](#), including:

- A. Any project related website or webpage that includes logos from other funding partners;
- B. Any publication materials that include logos from other funding partners;
- C. Any on-site signage including pre-during Construction signage and permanent signage at completed project sites; and
- D. Any equipment purchased with CAA funding through a generally visible decal.

3. CONTRACT MANAGEMENT

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Contract.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Contract.

The Representative for the Contractor and their contact information are identified on the Face Sheet of this Contract.

4. COMPENSATION

COMMERCE shall pay an amount not to exceed \$4,160,788, for the performance of all things necessary for or incidental to the performance of work under this Contract as set forth in the Scope of Work.

5. BILLING PROCEDURES AND PAYMENT

COMMERCE will pay Contractor upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE not more often than monthly nor less than quarterly.

The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the Contract Number 24-92701-004. If expenses are invoiced, provide a detailed breakdown of each type. A receipt must accompany any single expenses in the amount of \$50.00 or more in order to receive reimbursement. Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the



Contractor.

COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

Invoices and End of Fiscal Year

Invoices are due on the 20th of the month following the provision of services.

Final invoices for a state fiscal year may be due sooner than the 20th and Commerce will provide notification of the end of fiscal year due date.

The Contractor must invoice for all expenses from the beginning of the contract through June 30, regardless of the contract start and end date.

Duplication of Billed Costs

The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service.

Disallowed Costs

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

COMMERCE may, in its sole discretion, withhold ten percent (10%) from each payment until acceptance by COMMERCE of the final report (or completion of the project, etc.).

6. SUBCONTRACTOR DATA COLLECTION

Contractor will submit reports, in a form and format to be provided by Commerce and at intervals as agreed by the parties, regarding work under this Contract performed by subcontractors and the portion of Contract funds expended for work performed by subcontractors, including but not necessarily limited to minority-owned, woman-owned, and veteran-owned business subcontractors. "Subcontractors" shall mean subcontractors of any tier.

7. INSURANCE

Each party certifies that it is self-insured under the State's or local government self-insurance liability program, and shall be responsible for losses for which it is found liable.

8. FRAUD AND OTHER LOSS REPORTING

Contractor shall report in writing all known or suspected fraud or other loss of any funds or other property furnished under this Contract immediately or as soon as practicable to the Commerce Representative identified on the Face Sheet.

9. ORDER OF PRECEDENCE

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Special Terms and Conditions
- General Terms and Conditions



- Attachment A – Scope of Work
- Attachment B – Budget
- Attachment C – Program Work Plan



General Terms and Conditions

1. DEFINITIONS

As used throughout this Contract, the following terms shall have the meaning set forth below:

- A. "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.
- B. "COMMERCE" shall mean the Washington Department of Commerce.
- C. "Contract" or "Agreement" or "Grant" means the entire written agreement between COMMERCE and the Contractor, including any Attachments, documents, or materials incorporated by reference. E-mail or Facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
- D. "Contractor" or "Grantee" shall mean the entity identified on the face sheet performing service(s) under this Contract, and shall include all employees and agents of the Contractor.
- E. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers, and "Protected Health Information" under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- F. "State" shall mean the state of Washington.
- G. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this Contract under a separate contract with the Contractor. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

2. ALL WRITINGS CONTAINED HEREIN

This Contract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any of the parties hereto.

3. AMENDMENTS

This Contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

4. ASSIGNMENT

Neither this Contract, work thereunder, nor any claim arising under this Contract, shall be transferred or assigned by the Contractor without prior written consent of COMMERCE.

5. CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION

- A. "Confidential Information" as used in this section includes:
 - i. All material provided to the Contractor by COMMERCE that is designated as "confidential" by COMMERCE;
 - ii. All material produced by the Contractor that is designated as "confidential" by COMMERCE; and



iii. All Personal Information in the possession of the Contractor that may not be disclosed under state or federal law.

- B.** The Contractor shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Contractor shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law. The Contractor shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Contractor shall provide COMMERCE with its policies and procedures on confidentiality. COMMERCE may require changes to such policies and procedures as they apply to this Contract whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures. The Contractor shall make the changes within the time period specified by COMMERCE. Upon request, the Contractor shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Contractor against unauthorized disclosure.
- C.** Unauthorized Use or Disclosure. The Contractor shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

6. COPYRIGHT

Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Contractor hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, the Contractor hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that the Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Contractor shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Contractor shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Contractor with respect to any Materials delivered under this Contract. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Contractor.

7. DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms and applicable statutes and rules and make a determination of the dispute. The Dispute Board shall thereafter decide the dispute with the majority



prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

8. GOVERNING LAW AND VENUE

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

9. INDEMNIFICATION

Each party shall be solely responsible for the acts of its employees, officers, and agents.

10. LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Contract.

11. RECAPTURE

In the event that the Contractor fails to perform this Contract in accordance with state laws, federal laws, and/or the provisions of this Contract, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Contractor of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this Contract.

12. RECORDS MAINTENANCE

The Contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

The Contractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

13. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, COMMERCE may suspend or terminate the Contract under the "Termination for Convenience" clause, without the ten calendar day notice requirement. In lieu of termination, the Contract may be amended to reflect the new funding limitations and conditions.

14. SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.



15. **SUBCONTRACTING**

The Contractor may only subcontract work contemplated under this Contract if it obtains the prior written approval of COMMERCE.

If COMMERCE approves subcontracting, the Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties.

Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

16. **SURVIVAL**

The terms, conditions, and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive.

17. **TERMINATION FOR CAUSE**

In the event COMMERCE determines the Contractor has failed to comply with the conditions of this contract in a timely manner, COMMERCE has the right to suspend or terminate this contract. Before suspending or terminating the contract, COMMERCE shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by COMMERCE to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

18. **TERMINATION FOR CONVENIENCE**

Except as otherwise provided in this Contract, COMMERCE may, by ten (10) business days' written notice, beginning on the second day after the mailing, terminate this Contract, in whole or in part. If this Contract is so terminated, COMMERCE shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination.

19. **TERMINATION PROCEDURES**

Upon termination of this contract, COMMERCE, in addition to any other rights provided in this contract, may require the Contractor to deliver to COMMERCE any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.



COMMERCE shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Contractor and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. COMMERCE may withhold from any amounts due the Contractor such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Contractor shall:

- A. Stop work under the contract on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- C. Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
- E. Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the contract had been completed, would have been required to be furnished to COMMERCE;
- F. Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and
- G. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Contractor and in which COMMERCE has or may acquire an interest.

20. TREATMENT OF ASSETS

Title to all property furnished by COMMERCE shall remain in COMMERCE. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in COMMERCE upon delivery of such property by the Contractor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in COMMERCE upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by COMMERCE in whole or in part, whichever first occurs.

- A. Any property of COMMERCE furnished to the Contractor shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this contract.
- B. The Contractor shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management



practices.

- C. If any COMMERCE property is lost, destroyed or damaged, the Contractor shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further damage.
- D. The Contractor shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this contract.
- E. All reference to the Contractor under this clause shall also include Contractor's employees, agents or Subcontractors.

21. **WAIVER**

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by Authorized Representative of COMMERCE.



Attachment A: Scope of Work

Purpose

Engrossed Substitute Senate Bill 5200 Section 1008 Subsection 1 states:

Home Electrification and Appliance Rebates (HEAR) Program

For the department (Commerce) to administer grants to eligible third-party administrators for heat pump and other high-efficiency electric equipment rebates, with a focus on low/moderate income households and small businesses. State incentives and rebates for installation of high efficiency electric equipment, including electrical panel upgrades, provide a benefit to the public consistent with the state's energy strategy and climate mandates by reducing greenhouse gas emissions from the built environment.

- (a) \$75,000,000 of the climate commitment account-state appropriation is provided solely for the department to administer ESSB 5200.PL grants to low/moderate income households and small businesses.

Commerce shall implement a statewide high efficiency electric equipment program consistent with the following:

- (a) Aid the transition of residential and commercial buildings away from fossil fuels by providing education and outreach resources for the installation of high efficiency electric heat pumps and other high efficiency electric equipment;
- (b) Provide grants, coordination, and technical assistance to eligible third-party administrators to promote the adoption of high efficiency electric heat pump equipment for space and water heating; and
- (c) Develop strategies to ensure that the program serves low income households, vulnerable populations, and overburdened communities, including dedicating a portion of the program funding for this purpose.

Tasks and Deliverables

Task 1: Funding Priorities

Third-party administrators that receive funding through HEAR, must meet the following funding priorities:

1. **Provide rebates and incentives that serve the following populations:**
 - a. Low-income single- and multifamily households with household income of 80% or less of Area Median Income.
 - b. Moderate-income single- and multifamily households with household income between 80% and 150% of Area Median Income.
 - c. Small businesses with fifty (50) employees or less, or otherwise meet the definition in RCW 39.26.010(22)
2. Rebates and incentives must be for the purchase or installation of high-efficiency electric equipment, including, but not limited to:

Table 1: Eligible High-Efficiency Electric Equipment

Upgrade Type	Eligible Equipment
Appliance	Electric Heat Pump Water Heater
	Electric Air-source or Ground source Heat Pump for Space Conditioning
	Commercial or Residential Induction Kitchen Equipment
	Electric Heat Pump Clothes Dryer



Electric Service necessary for the installation of high-efficiency electric equipment	Electrical Service and Panel Upgrade
	Electric Wiring

- (a) All equipment must meet the following requirements:
 - o Remove all fossil fuel equipment where technically and economically feasible.
 - o All air-source heat pumps must be listed on the Northeast Energy Efficiency Partnership’s (NEEP) Cold Climate Air Source Heat Pump (ccASHP) Product List, or meet the most recent ENERGY STAR Cold Climate product criteria.
 - o All equipment must be ENERGY STAR Certified or CEE North Region Certified.
 - o All equipment that uses refrigerants must follow the statutory global warming potential (GWP) limits from the Washington State Department of Ecology and the U.S. Environmental Protection Agency (EPA), and where technically and economically feasible, must use low GWP refrigerants listed by the EPA’s Significant New Alternatives Policy (SNAP) Program, or the California Air Resources Board (CARB).
- (b) Mechanical, electrical, and plumbing (MEP) equipment may be eligible if necessary for the installation of eligible high-efficiency electric equipment listed in Table 1.
- (c) Education and outreach resources to promote the adoption of high-efficiency electric equipment and build workforce capacity.
- (d) Program administration costs not to exceed 15 percent of grant funds.

Task 2: Program Work Plan and Outcomes

Grantees must provide a work plan to COMMERCE. Work plans must address the following:

1. High-level description of the program, including goals and outcomes.
2. Description of the jurisdiction that the program will serve. This may include information on rural status, median income, and population demographics.
3. Total funding for the program – Commerce grant funds plus matching funds – and an anticipated budget that must include at a minimum:
 - a. Costs for rebates and incentives for eligible high-efficiency electric equipment
 - i. Costs should be categorized into the funding allocated to household and small business rebates and incentives, and subsequently by the eligible equipment rebates and incentives the program is providing (as described in Task 1).
 - b. Costs for outreach and education, if applicable.
 - c. Administrative costs.
4. Grantees must ensure that their program only provides rebates and incentives to the eligible rebate recipients listed in Task 1.
 - a. What populations or subsets of the listed eligible rebate recipients, does this program primarily serve? How will your jurisdiction prioritize the populations that will receive rebates and incentives?
 - b. How will the program qualify eligible households and small businesses to receive rebates or incentives? Possible methods for verifying eligibility of households may include participation in other income-qualified benefits programs (LIHEAP, SNAP, etc), tenancy in income-qualified housing units, or other methods, which verify income against the thresholds described in Task 1.
5. Describe how your jurisdiction, and any partners or subcontractors will, provide outreach and education about the program, and resources for the installation of high efficiency electric equipment.
 - a. What strategies will this program use to reach low-income households, vulnerable populations, and overburdened communities?
6. Describe the process for distributing rebates and incentives, including any application process that rebate recipients or contractors must follow.



7. Describe partnerships or subcontracts that the Grantee will use to complete the proposed scope of work of the program.

Task 3: Expenditure Reporting

1. All Grantees are required to submit Project and Expenditure Reports
 - a. Grantees must provide COMMERCE quarterly reports with an official expenditure report/ledger from their general ledger for all expenses claimed for COMMERCE funding from the program and any backup invoice documentation requested from COMMERCE. The expenditure report/ledger must include:
 - i. Number of households and small businesses that were provided rebates and incentives to purchase or install high-efficiency electric equipment and appliances
 - ii. Site information for households and small businesses that received rebates and incentives:
 1. Address, city, and zip code
 2. Date rebate or incentive claimed or issued
 3. Household income or small business size verification
 4. Pre-rebate fuel type of the household or small business
 5. Technical specifications of the equipment and appliances purchased or installed through the program, including, but not limited to the equipment brand, certifications, efficiency (SEER/HSPF/EER/COP), and cost
 6. Amount of the rebate or incentive claimed or issued
 7. Applicable building and electrical permit numbers
2. Grantees must provide COMMERCE an official final/close out expenditure report/ledger from their general ledger for all expenses claimed for COMMERCE funding from the program.
3. Grantees shall also provide information for any subawards, contracts, transfers, and direct payments made using funding from the program.
4. COMMERCE will withhold 2% of the total reimbursable amount for each item listed in Attachment B: Budget until the Grantee provides the official report/ledger from their general ledger for all expenses claimed for COMMERCE funding from the program.



Attachment B: Budget

Item	Description	Amount
1	Grant to administer a rebates and incentives program for high-efficiency electric equipment and appliances	\$4,160,788
	Total Grant Amount	\$4,160,788



Attachment C: Program Work Plan

Program Description: Provide rebates and incentives for high-efficiency electric equipment and appliances to low-income households, moderate-income households, and small businesses within the City of Ellensburg jurisdiction of Ellensburg City Limits, Urban Growth Area, and Gas Utility Area. The City of Ellensburg has a population of 18,666; 99% urban, 1% rural. The median household income of Kittitas County is \$99,800.

Low-Income Eligible Work Plan – Subcontractor Partnership Program

<p>Goal: Procurement of Subcontractor</p> <p>Objective: Issue a RFQ to identify qualified subcontractors to manage the low-income program. Pending Washington State Department of Commerce approval, the approved subcontractor will coordinate with the City – education and outreach, installation professionals, and eligible households.</p>
<p>Goal: Education and Outreach</p> <p>Objective: Identify and market eligible households within the jurisdiction of Ellensburg City of Ellensburg City Limits, Urban Growth Area, and Gas Utility Area. Examples could include, but are not limited to, direct use social media, networking, and advertising to increase awareness of the program throughout the service area. Climate Commitment Act (CCA) messaging will be included on the City of Ellensburg HEAR Grant website and on materials disbursed to the public.</p>
<p>Goal: Program Eligibility</p> <p>Objective: Implement application process and qualify clients. Low-income single- and multifamily households with household income of 80% or less of Area Median Income. Kittitas County FY 2024 Income Limits Documentation System -- Summary for Kittitas County, Washington (huduser.gov). Annual household income of \$79,200 or less will qualify. Low-income and vulnerable populations will be reached by, but not limited to, direct (phone, mail, email, in person) outreach. Working with a qualified subcontractor will allow for their experienced staff to contact eligible low-income and vulnerable populations to include, but not limited to, those in need of past and present services, households with high energy burdens/costs, and participation in other low-income programs. Working with community organizations for vulnerable populations will help to identify additional eligible households. The City of Ellensburg is identified as one of the 16 overburdened communities in Washington State. Reaching eligible households and businesses will benefit the community.</p>
<p>Goal: Project Approval</p> <p>Objective: Pre-approval application for installation approval in accordance with Scope of Work Task 1.</p> <p>Appliance: Electric Heat Pump Water Heater</p> <p>Appliance: Electric Air-source or Ground source Heat Pump for Space Conditioning</p> <p>Appliance: Commercial or Residential Induction Kitchen Equipment</p> <p>Appliance: Electric Heat Pump Clothes Dryer</p> <p>Electric Service necessary for the installation of high-efficiency electric equipment: Electrical Service and Panel Upgrade, Electric Wiring</p>
<p>Goal: Equipment Installation, Inspection, Education</p> <p>Objective: Installation initiation, completion, and client education.</p>
<p>Goal: Subcontractor Payment</p> <p>Objective: Subcontractor to submit invoices to Contractor in accordance with Scope of Work Task 3 for payment.</p>
<p>Goal: Expenditure Reporting</p>



Objective: Project status and expenditure tracking in accordance with Scope of Work Task 3 to Contractor. Contractor will report to Commerce in accordance with Scope of Work Task 3.

Moderate-Income and Small Business Eligible Work Plan – Contractor Program

<p>Goal: Education and Outreach Objective: Identify and market eligible households and businesses within the jurisdiction of Ellensburg City of Ellensburg City Limits, Urban Growth Area, and Gas Utility Area. Examples could include, but are not limited to, direct social media, networking, and advertising to increase awareness of the program throughout the service area. Climate Commitment Act (CCA) messaging will be included on the City of Ellensburg HEAR Grant website and on materials disbursed to the public.</p>
<p>Goal: Program Eligibility Objective: Implement application process and qualify clients through self-attestation. Moderate-income single- and multifamily households with household income between 80% and 150% of Area Median Income. Kittitas County FY 2024 Income Limits Documentation System -- Summary for Kittitas County, Washington (huduser.gov). Annual household income of \$79,201 - \$149,700 will qualify. Small businesses with fifty (50) employees or less, or otherwise meet the definition in RCW 39.26.010(22). The City of Ellensburg is identified as one of the 16 overburdened communities in Washington State. Reaching eligible households and businesses will benefit the overburdened community.</p>
<p>Goal: Project Approval Objective: Pre-approval application for installation approval in accordance with Scope of Work Task 1. Appliance: Electric Heat Pump Water Heater Appliance: Electric Air-source or Ground source Heat Pump for Space Conditioning Appliance: Commercial or Residential Induction Kitchen Equipment Appliance: Electric Heat Pump Clothes Dryer Electric Service necessary for the installation of high-efficiency electric equipment: Electrical Service and Panel Upgrade, Electric Wiring</p>
<p>Goal: Equipment Installation Objective: Installation initiation and completion.</p>
<p>Goal: Moderate-Income and Small Business Client Payment Objective: Client to submit invoices to contractor in accordance with Scope of Work Task 3 for payment.</p>
<p>Goal: Expenditure Reporting Objective: Project status and expenditure tracking. Contractor will report to Commerce in accordance with Scope of Work Task 3.</p>

Funding: Anticipated budget for eligible high-efficiency electric equipment and appliances

Total Grant Contract Amount \$4,160,788 No required matching funds			
Client	Rebates	Administrative Costs	Outreach and Education
Single-family and Multifamily	Task 1 Guideline	15% of award amount	
Eligible Households	\$3,328,630.40	\$624,118.20	\$208,039.40
Small Business	As funds are available, priority toward households.		



Eligible Rebate Recipients:

<p>Low-income single- and multifamily household with household income of 80% or less if Area Median Income by household size. Kittitas AMI: \$99,800 Eligible Low-income Households: \$79,200 or less</p>
<p>Moderate-income single- and multifamily household with household income between 80% and 150% of Area Median Income by household size. Kittitas AMI: \$99,800 Eligible Moderate-income Households: \$79,201 - \$149,700</p>
<p>Small Business Fifty (50) employees or less, or otherwise meet the definition in RCW 39.26.010(22)</p>

FY 2024 INCOME LIMITS DOCUMENTATION SYSTEM

[HUD.gov HUD User Home Data Sets Fair Market Rents Section 8 Income Limits MTSP Income Limits HUD LIHTC Database](https://www.hud.gov/HUD_User/Home/Data_Sets/Fair_Market_Rents/Section_8_Income_Limits/MTSP_Income_Limits/HUD_LIHTC_Database)

FY 2024 Income Limits Summary

FY 2024 Income Limit Area	Median Family Income Click for More Detail	FY 2024 Income Limit Category Click for More Detail	Persons in Family							
			1	2	3	4	5	6	7	8
Kittitas County, WA	\$99,800	Very Low (50%) Income Limits (\$) Click for More Detail	34,650	39,600	44,550	49,500	53,450	57,400	61,350	65,300
		Extremely Low Income Limits (\$)* Click for More Detail	20,800	23,800	26,750	31,200	36,580	41,960	47,340	52,720
		Low (80%) Income Limits (\$) Click for More Detail	55,400	63,350	71,250	79,200	85,550	91,900	98,200	104,550

Program Qualification Standards:

<p>Low-income single- and multifamily household with household income of 80% or less if Area Median. To be determined by approved subcontractor Participation in other income-qualified benefits programs</p>
<p>Moderate-income single- and multifamily household with household income between 80% and 150% of Area Median Income by household size. Self-attestation</p>
<p>Small Business Fifty (50) employees or less, or otherwise meet the definition in RCW 39.26.010(22) Self-attestation</p>



STATE OF WASHINGTON
DEPARTMENT OF COMMERCE
1011 Plum Street SE • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000
www.commerce.wa.gov

July 24, 2025

City of Ellensburg
501 N Anderson St
Ellensburg, WA 98926

RE: Closeout of City of Ellensburg's Contract # 24-92701-004

Dear Heidi Behrends Cerniwey,

As of June 30, 2025, City of Ellensburg's Contract # 24-92701-004 with the Washington State Department of Commerce for City of Ellensburg – Electrification and Appliance Rebates Program under the State Home Electrification and Appliance Rebates Program is now considered closed. Our financial records show the following reconciliation of your agreement funding. The contract has unexpended funds due to lower than budgeted administration and outreach costs. All unexpended funds are now de-obligated.

Agreement award	\$	4,160,788.00
Total expended	\$	4,125,834,51
Unexpended funds	\$	34,953.49

Pursuant to RCW 40.14, City of Ellensburg is required to maintain all records, invoices, and backup documentation and data pertinent to this agreement for a period of six years from the end date. These records are subject to inspection at any time by state and federal program staff and auditors.

Please countersign this letter as acknowledgment of receipt of the contract closeout notification.

If there are any questions, please contact Aaron Dumas at aaron.dumas@commerce.wa.gov.

Sincerely,

DocuSigned by:
Aaron Dumas
Signature: _____
04AA67D36D1548B...
Aaron Dumas, Program Manager
Clean Buildings Unit

DocuSigned by:
Heidi Behrends Cerniwey
Signature: _____
59F743D45A53648D...
Heidi Behrends Cerniwey, MPA,
ICMA-CM, City Manager

Date: 7/24/2025 | 1:22 PM PDT

Date: 7/24/2025 | 4:04 PM CDT



Meeting Date: September 18, 2025
City of Ellensburg
Utility Advisory Committee Agenda Report

Agenda Subject: City of Ellensburg Decarbonization Planning Strategy Grant
Submitted by: Nichole Baker, Sustainability & Energy Coordinator
Department: Energy Services

Suggested Motion/Action:
None - Information only

Background/Summary:

The 2023-2025 State Biennial Budget, Operating Budget, Section 132. For the Department of Commerce - Energy & Innovation, Proviso Language states: \$750,000 of the climate commitment account—state appropriation is provided solely for a grant to the City of Ellensburg for decarbonization planning and implementation. The funding must be used by City for staff or contractors to develop and implement strategies to comply with the requirements of the Climate Commitment Act and decarbonize their natural gas utility. Funds provided in this subsection may not be expended or obligated prior to January 1, 2025. The grant awarded \$727,500 in funding following fees by the Washington State Department of Commerce.

Previous Council Action:

Presented to the Utility Advisory Committee on February 20, 2025 as a Staff Informational Item. The contract with the Washington State Department of Commerce was executed on March 31, 2025, for a contract period of 2/1/2025-6/30/2025, and closed out on 8/19/2025. On May 19, 2025, the City of Ellensburg entered into a Professional Services Agreement with Glumac for the development of a Decarbonization Roadmap Workplan, intended to serve as a framework for a more detailed and comprehensive Decarbonization Roadmap.

Analysis:

The Decarbonization Roadmap Workplan, developed by Glumac in collaboration with City staff, was finalized on June 19, 2025. This strategic document presents a high-level assessment of potential pathways for a Decarbonization Roadmap, aimed at exploring viable solutions to reduce carbon emissions, assessing their implications for the City of Ellensburg, and identifying opportunities for energy efficiency and electrification incentives.

Financial Impact:

This grant provided \$727,500 in grant funds. There is no match required for this grant.

Budget Adjustment: No

Attachments:

1. Contract_25-53310-002 COE Decarb
2. Complete_with_Docusign_Closeout_Letter Decarbonization Planning
3. 2025-06-19 Decarbonization Roadmap Workplan_final_GLU



Interagency Agreement with

City of Ellensburg

through

Energy Division
Direct Appropriation

**Contract Number:
25-53310-002**

For

City of Ellensburg Decarbonization Planning Strategy

Dated: Saturday, February 1, 2025



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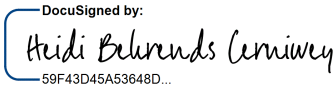
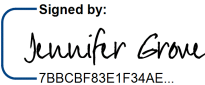
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Face Sheet

Contract Number: 25-53310-002

Energy Division, Energy Programs in Communities 23-25 Direct Appropriation Funds

1. Contractor City of Ellensburg 501 N Anderson St Ellensburg, WA 98926		2. Contractor Doing Business As (as applicable) N/A	
3. Contractor Representative Nichole Baker Sustainability & Energy Coordinator (509) 962-7271 bakern@ci.ellensburg.wa.us		4. COMMERCE Representative Bryce Davis Program Manager (206) 613-7664 bryce.davis@commerce.wa.gov P.O. Box 42525 1011 Plum St Olympia, WA 98504-2525 	
5. Contract Amount \$727,500	6. Funding Source Federal: <input type="checkbox"/> State: <input checked="" type="checkbox"/> Other: <input type="checkbox"/> N/A: <input type="checkbox"/>		7. Start Date 02/01/2025
9. Federal Funds (as applicable) N/A		Federal Agency: N/A ALN N/A	
10. Tax ID # 91-6001245	11. SWV # SWV008367-03	12. UBI # 192-000-016	13. UEI # SFRMWQVG79M5
14. Contract Purpose Develop a decarbonization roadmap workplan for the City of Ellensburg’s municipal gas utility while ensuring compliance with the Climate Commitment Act (CCA) and maximizing long-term energy and environmental benefits. City staff will identify and establish key partnerships with State agencies, consumer owned utilities, the university, local businesses, and residents. The procurement of leak detection and cross compression equipment will target fugitive and operation emissions. External experts will be sourced to develop a decarbonization roadmap workplan that aims to reduce fossil gas reliance in an equitable and resilient manner.			
COMMERCE, defined as the Department of Commerce, and the Contractor, as defined above, acknowledge and accept the terms of this Contract and Attachments and have executed this Contract on the date below and warrant they are authorized to bind their respective agencies. The rights and obligations of both parties to this Contract are governed by this Contract and the following documents incorporated by reference: Contractor Terms and Conditions including Attachment “A” – Scope of Work, Attachment “B” – Budget, Attachment “C” –Reporting, Attachment “D” - Proviso			
FOR CONTRACTOR DocuSigned by:  Heidi Behrends Cerniwey, City Manager 3/28/2025 2:40 PM CDT <hr/> Date		FOR COMMERCE Signed by:  Jennifer Grove, Assistant Director, Energy Division 3/31/2025 4:48 PM PDT <hr/> Date APPROVED AS TO FORM ONLY BY ASSISTANT ATTORNEY GENERAL APPROVAL ON FILE	



DECLARATIONS

The Washington State Department of Commerce (Commerce) has been appropriated funds by the Washington State Legislature to provide grants to promote Washington's commitment to equitable, clean energy development.

CLIENT INFORMATION

Legal Name: City of Ellensburg

Agreement Number: **25-53310-002**

Award Year: 2024

State Wide Vendor Number: SWV008367-03

PROJECT INFORMATION

Project Title: City of Ellensburg Decarbonization Planning Strategy

Project Address: 501 N Anderson St

Project City: Ellensburg

Project State: WA

Project Zip Code: 98926

GRANT INFORMATION

Grant Amount: \$727,500

Earliest Date for Reimbursement: Contract Start Date

Time of Performance: 02/01/2025 – 06/30/2025



Program Specific Terms and Conditions

As identified herein, notwithstanding General & Specific Terms and Conditions SECTIONS, the following Program Specific Terms and Conditions take precedence over any similarly referenced Special or General Terms and Conditions:

1. **BILLING AND COMPENSATION FOR PERFORMANCE BASED CONTRACT (Replaces Special Terms and Conditions #4 Billing Procedures and Payment)**

COMMERCE will pay Contractor not more often than monthly upon acceptance of services provided and receipt of properly completed invoices for completed milestones, which shall be submitted to the Representative for COMMERCE.

The Contractor shall provide the Representative of COMMERCE a signed electronic Invoice A19 form that includes the contract number referenced on the declarations page.

The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed and the milestone number(s) achieved.

The Contractor is required to maintain documentation to support invoiced costs and cost share obligations. The Contractor shall make these documents available to COMMERCE if requested.

COMMERCE will pay Contractor the amounts set forth in Attachment B upon full completion of each milestone. Upon full completion of each Milestone, Contractor will provide an invoice and any required supporting documentation to the Representative of COMMERCE. Except as may be agreed by COMMERCE in its discretion, COMMERCE shall only be obligated to make payments upon demonstration of completion of all Deliverables within a given Milestone.

However, it is acknowledged that in the event one or two Deliverables of a Milestone is unduly delayed (more than 3 months) due to circumstances outside Contractor's control, COMMERCE may, in its sole discretion, reasonably negotiate with Contractor regarding paying for those Deliverables of such Milestones that are completed.

Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.

COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

INVOICES AND END OF FISCAL YEAR

Invoices are due on the 20th of the month following the provision of services.

Final invoices for a state fiscal year may be due sooner than the 20th and Commerce will provide notification of the end of fiscal year due date.

The contractor must invoice for all expenses from the beginning of the contract through June 30, regardless of the contract start and end date.



DUPLICATION OF BILLED COSTS

The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service.

DISALLOWED COSTS

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

2. SUBCONTRACTING (Replaces General Terms and Conditions #15 Subcontracting)

The Contractor may only subcontract work contemplated under this Contract if it provides written notification to COMMERCE of any subcontractors who will be performing work under this Grant Agreement. The written notice must provide the names and address of the subcontractor with a brief description of which tasks within the Contractor Scope of Work (Attachment A) that will be undertaken by the subcontractor(s).

The Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract.

In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties. Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

All reference to the Contractor under this clause shall also include Contractor's employees, agents or subcontractors.

3. PREVAILING WAGE LAW

The Contractor certifies that all contractors and subcontractors performing work on the Project shall comply with state Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable to the Project funded by this Agreement, including but not limited to the filing of the "Statement of Intent to Pay Prevailing Wages" and "Affidavit of Wages Paid" as required by RCW 39.12.040. The Contractor shall maintain records sufficient to evidence compliance with Chapter 39.12 RCW, and shall make such records available for COMMERCE's review upon request

4. HISTORICAL OR CULTURAL ARTIFACTS

Prior to approval and disbursement of any funds awarded under this Contract, Contractor shall complete the requirements of Governor's Executive Order 21-02, where applicable, or Contractor shall complete a review under Section 106 of the National Historic Preservation Act, if applicable.

Contractor agrees that the Contractor is legally and financially responsible for compliance with all laws, regulations, and agreements related to the preservation of historical or cultural resources and agrees to hold harmless COMMERCE and the state of Washington in relation to any claim related



to such historical or cultural resources discovered, disturbed, or damaged as a result of the project funded by this Contract.

In addition to the requirements set forth in this Contract, Contractor shall, in accordance with Governor’s Executive Order 21-02 coordinate with Commerce and the Washington State Department of Archaeology and Historic Preservation (“DAHP”), including any recommended consultation with any affected tribe(s), during Project design and prior to construction to determine the existence of any tribal cultural resources affected by Project. Contractor agrees to avoid, minimize, or mitigate impacts to the cultural resource as a continuing prerequisite to receipt of funds under this Contract.

The Contractor agrees that, unless the Contractor is proceeding under an approved historical and cultural monitoring plan or other memorandum of agreement, if historical or cultural artifacts are discovered during construction, the Contractor shall immediately stop construction and notify the local historical preservation officer and the state's historical preservation officer at DAHP, and the Commerce Representative identified on the Face Sheet. If human remains are uncovered, the Contractor shall report the presence and location of the remains to the coroner and local enforcement

Immediately, then contact DAHP and the concerned tribe's cultural staff or committee.

The Contractor shall require this provision to be contained in all subcontracts for work or services related to the Scope of Work attached hereto.

In addition to the requirements set forth in this Contract, Contractor agrees to comply with RCW 27.44 regarding Indian Graves and Records; RCW 27.53 regarding Archaeological Sites and Resources; RCW 68.60 regarding Abandoned and Historic Cemeteries and Historic Graves; and WAC 25-48 regarding Archaeological Excavation and Removal Permit.

Completion of the requirements of Section 106 of the National Historic Preservation Act shall substitute for completion of Governor’s Executive Order 21-02.

In the event that the Contractor finds it necessary to amend the Scope of Work the Contractor may be required to re-comply with Governor's Executive Order 21-02 or Section 106 of the National Historic Preservation Act

5. ACKNOWLEDGMENT OF CLIMATE COMMITMENT ACT FUNDING

If this Agreement is funded in whole or in part by the Climate Commitment Act, Grantee agrees that any website, announcement, press release, and/or publication (written, visual, or sound) used for media-related activities, publicity, and public outreach issued by or on behalf of Grantee which reference programs or projects funded in whole or in part with Washington’s Climate Commitment Act (CCA) funds under this Grant, shall contain the following statement:

“The City of Ellensburg Decarbonization Planning Strategy is supported with funding from Washington’s Climate Commitment Act. The CCA supports Washington’s climate action efforts by putting cap-and-invest dollars to work reducing climate pollution, creating jobs, and improving public health. Information about the CCA is available at www.climate.wa.gov.”

The Grantee agrees to ensure coordinated Climate Commitment Act branding on work completed by or on behalf of the Grantee. The CCA logo must be used in the following circumstances, consistent with the branding guidelines posted at [CCA brand toolkit](#), including:

- A. Any project related website or webpage that includes logos from other funding partners;
- B. Any publication materials that include logos from other funding partners;
- C. Any on-site signage including pre-during Construction signage and permanent signage at completed project sites; and
- D. Any equipment purchased with CCA funding through a generally visible decal.



Special Terms and Conditions

1. AUTHORITY

COMMERCE and Contractor enter into this Contract pursuant to the authority granted by Chapter 39.34 RCW.

2. CONTRACT MANAGEMENT

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Contract.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Contract.

The Representative for the Contractor and their contact information are identified on the Face Sheet of this Contract.

3. COMPENSATION

COMMERCE shall pay an amount not to exceed \$727,500, for the performance of all things necessary for or incidental to the performance of work under this Contract as set forth in the Scope of Work.

EXPENSES

Contractor shall receive reimbursement for travel and other expenses as identified below or as authorized in advance by COMMERCE as reimbursable. The maximum amount to be paid to the Contractor for authorized expenses shall not exceed \$0, which amount is included in the Contract total above.

Such expenses may include airfare (economy or coach class only), other transportation expenses, and lodging and subsistence necessary during periods of required travel. Contractor shall receive compensation for travel expenses at current state travel reimbursement rates.

4. BILLING PROCEDURES AND PAYMENT (Replaced by Program Specific Terms and Conditions #1 Billing and Compensation for Performance Based Contract)

~~COMMERCE will pay Contractor upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE not more often than monthly nor less than quarterly.~~

~~The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the Contract Number _____. If expenses are invoiced, provide a detailed breakdown of each type. A receipt must accompany any single expenses in the amount of \$50.00 or more in order to receive reimbursement. Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.~~

~~COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.~~

~~No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.~~

~~Invoices and End of Fiscal Year~~



~~Invoices are due on the 20th of the month following the provision of services.~~

~~Final invoices for a state fiscal year may be due sooner than the 20th and Commerce will provide notification of the end of fiscal year due date. The Contractor must invoice for all expenses from the beginning of the contract through June 30, regardless of the contract start and end date.~~

~~Duplication of Billed Costs~~

~~The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service.~~

~~Disallowed Costs~~

~~The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.~~

~~COMMERCE may, in its sole discretion, withhold ten percent (10%) from each payment until acceptance by COMMERCE of the final report (or completion of the project, etc.).~~

5. SUBCONTRACTOR DATA COLLECTION

Contractor will submit reports, in a form and format to be provided by Commerce and at intervals as agreed by the parties, regarding work under this Contract performed by subcontractors and the portion of Contract funds expended for work performed by subcontractors, including but not necessarily limited to minority-owned, woman-owned, and veteran-owned business subcontractors. "Subcontractors" shall mean subcontractors of any tier.

6. INSURANCE

Each party certifies that it is self-insured under the State's or local government self-insurance liability program, and shall be responsible for losses for which it is found liable.

7. FRAUD AND OTHER LOSS REPORTING

Contractor shall report in writing all known or suspected fraud or other loss of any funds or other property furnished under this Contract immediately or as soon as practicable to the Commerce Representative identified on the Face Sheet.

8. ORDER OF PRECEDENCE

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Attachment D – Proviso
- Program Specific Terms and Conditions
- Special Terms and Conditions
- General Terms and Conditions
- Attachment A – Scope of Work
- Attachment B – Budget
- Attachment C – Reporting



General Terms and Conditions

1. DEFINITIONS

As used throughout this Contract, the following terms shall have the meaning set forth below:

- A. "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.
- B. "COMMERCE" shall mean the Washington Department of Commerce.
- C. "Contract" or "Agreement" or "Grant" means the entire written agreement between COMMERCE and the Contractor, including any Attachments, documents, or materials incorporated by reference. E-mail or Facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
- D. "Contractor" or "Grantee" shall mean the entity identified on the face sheet performing service(s) under this Contract, and shall include all employees and agents of the Contractor.
- E. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers, and "Protected Health Information" under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- F. "State" shall mean the state of Washington.
- G. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this Contract under a separate contract with the Contractor. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

2. ALL WRITINGS CONTAINED HEREIN

This Contract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any of the parties hereto.

3. AMENDMENTS

This Contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

4. ASSIGNMENT

Neither this Contract, work thereunder, nor any claim arising under this Contract, shall be transferred or assigned by the Contractor without prior written consent of COMMERCE.

5. CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION

- A. "Confidential Information" as used in this section includes:
 - i. All material provided to the Contractor by COMMERCE that is designated as "confidential" by COMMERCE;
 - ii. All material produced by the Contractor that is designated as "confidential" by COMMERCE; and



iii. All Personal Information in the possession of the Contractor that may not be disclosed under state or federal law.

- B.** The Contractor shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Contractor shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law.

The Contractor shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Contractor shall provide COMMERCE with its policies and procedures on confidentiality. COMMERCE may require changes to such policies and procedures as they apply to this Contract whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures.

The Contractor shall make the changes within the time period specified by COMMERCE. Upon request, the Contractor shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Contractor against unauthorized disclosure.

- C.** Unauthorized Use or Disclosure. The Contractor shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

6. COPYRIGHT

Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Contractor hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, the Contractor hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that the Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Contractor shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Contractor shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Contractor with respect to any Materials delivered under this Contract. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Contractor.

7. DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The



Dispute Board shall review the facts, Agreement terms and applicable statutes and rules and make a determination of the dispute. The Dispute Board shall thereafter decide the dispute with the majority prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

8. GOVERNING LAW AND VENUE

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

9. INDEMNIFICATION

Each party shall be solely responsible for the acts of its employees, officers, and agents.

10. LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Contract.

11. RECAPTURE

In the event that the Contractor fails to perform this Contract in accordance with state laws, federal laws, and/or the provisions of this Contract, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Contractor of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this Contract.

12. RECORDS MAINTENANCE

The Contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

The Contractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

13. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, COMMERCE may suspend or terminate the Contract under the "Termination for Convenience" clause, without the ten calendar day notice requirement. In lieu of termination, the Contract may be amended to reflect the new funding limitations and conditions.

14. SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.



15. SUBCONTRACTING (Replaced by Program Specific Terms and Conditions #2 Subcontracting)

~~The Contractor may only subcontract work contemplated under this Contract if it obtains the prior written approval of COMMERCE.~~

~~If COMMERCE approves subcontracting, the Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.~~

~~Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties.~~

~~Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.~~

16. SURVIVAL

The terms, conditions, and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive.

17. TERMINATION FOR CAUSE

In the event COMMERCE determines the Contractor has failed to comply with the conditions of this contract in a timely manner, COMMERCE has the right to suspend or terminate this contract. Before suspending or terminating the contract, COMMERCE shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by COMMERCE to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

18. TERMINATION FOR CONVENIENCE

Except as otherwise provided in this Contract, COMMERCE may, by ten (10) business days' written notice, beginning on the second day after the mailing, terminate this Contract, in whole or in part. If this Contract is so terminated, COMMERCE shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination.

19. TERMINATION PROCEDURES

Upon termination of this contract, COMMERCE, in addition to any other rights provided in this contract, may require the Contractor to deliver to COMMERCE any property specifically produced or



acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

COMMERCE shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Contractor and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. COMMERCE may withhold from any amounts due the Contractor such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Contractor shall:

- A. Stop work under the contract on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- C. Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
- E. Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the contract had been completed, would have been required to be furnished to COMMERCE;
- F. Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and
- G. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Contractor and in which COMMERCE has or may acquire an interest.

20. TREATMENT OF ASSETS

Title to all property furnished by COMMERCE shall remain in COMMERCE. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in COMMERCE upon delivery of such property by the Contractor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in COMMERCE upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by COMMERCE in whole or in part, whichever first occurs.

- A. Any property of COMMERCE furnished to the Contractor shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this contract.



- B.** The Contractor shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices.
- C.** If any COMMERCE property is lost, destroyed or damaged, the Contractor shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further damage.
- D.** The Contractor shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this contract.
- E.** All reference to the Contractor under this clause shall also include Contractor's employees, agents or Subcontractors.

21. WAIVER

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by Authorized Representative of COMMERCE.



Attachment A: Scope of Work

Project Name: City of Ellensburg Decarbonization Planning Strategy

Site Address: 501 N Anderson St, Ellensburg WA 98926

Serving electric utility: City of Ellensburg

Timeline: List major actions taken to facilitate the feasibility study:

Action	Responsible Partner	Estimated completion time
Payroll Report(s)	City of Ellensburg Staff	February 2025
Invoice(s) and Purchase Order(s) for leak detection equipment	City of Ellensburg Staff	April 2025
Invoice(s) and Purchase Order(s) for cross compression equipment	City of Ellensburg Staff	April 2025
Procurement Plan and Documentation for Technical Consultants for Decarbonization Roadmap	City of Ellensburg Staff	May 2025
Decarbonization Roadmap Workplan	Consultant	June 2025

Analysis Anticipated:

<input checked="" type="checkbox"/> Regulatory & Legal Compliance Review	<input checked="" type="checkbox"/> Emission Reductions	<input checked="" type="checkbox"/> Electrification
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Project Summary: Develop a decarbonization roadmap workplan for the City of Ellensburg’s municipal gas utility while ensuring compliance with the Climate Commitment Act (CCA) and maximizing long-term energy and environmental benefits. City staff will identify and establish key partnerships with State agencies, consumer owned utilities, the university, local businesses, and residents. The procurement of leak detection and cross compression equipment will target fugitive and operation emissions. External experts will be sourced to develop a decarbonization roadmap workplan that aims to reduce fossil gas reliance in an equitable and resilient manner.



Attachment B: Budget

All funding is subject to continued legislative authorization and re-appropriation where applicable.

Milestone	Project Activity and Task	Deliverable(s)	Activity Period	Milestone \$ Designated in Budget	Total Project Cost
A	Decarbonization and Energy Planning Pre-Implementation, Staffing	<u>Payroll reports(s)</u>	Feb 2025	\$90,000	
	Procurement: Leak Detection Equipment	Invoice(s) and Purchase Order(s) for leak detection equipment	April 2025	\$20,000	
	Procurement: Cross Compression Equipment	Invoice(s) and Purchase Order(s) for cross compression equipment	April 2025	\$80,000	
				Activity A Subtotal:	\$190,000
B	Contractor Procurement	Procurement Plan and Documentation for Technical Consultants for Decarbonization Roadmap	May 2025	\$190,000	
				Activity B Subtotal:	\$190,000
C	Decarbonization Roadmap	Decarbonization Roadmap Workplan	June 2025	\$347,500	
				Activity C Subtotal:	\$347,500
				Award Total:	\$727,500



Attachment C: Reporting

The Contractor must provide quarterly written reports and/or host a regular quarterly video and/or phone call with COMMERCE for project update purposes. Phone contact should cover current status of the project and any barriers that are potentially affecting the project schedule.

The Contractor shall provide a quarterly report to COMMERCE, no later than 15 days after the end of each quarter. The report form will be provided by Commerce. The report should describe the project activity that occurred during the quarter, including but not limited to:

1. A narrative summarizing project activities, risks and issues mitigated, and lessons learned;
2. The project milestones met to date and anticipated in the subsequent quarter (such as through a project Gantt Chart schedule provided quarterly in Microsoft Project format showing actual progress to date along with the baseline schedule developed at project kickoff etc.); and,
3. Any additional metrics required from the capital budget proviso, legislature, governor's office, or COMMERCE.
4. Quarterly updated invoice projection sheet for grant expenditures. Commerce will provide the invoice projection sheet;

A final report and fact sheet will be submitted to Commerce. Commerce will provide the fact sheet template and may request the fact sheet be updated as conditions warrant.

Quarterly Reports Submission Deadlines

Quarter 1	April 15
Quarter 2	July 15
Quarter 3	October 15
Quarter 4	January 15



Attachment D: Proviso

Year of Enacted Capital Budget

2024

Senate Bill 5950, Section 130W

(41) \$750,000 of the climate commitment account—state appropriation is provided solely for a grant to the city of Ellensburg for decarbonization planning and implementation. The funding must be used by the city for staff or contractors to develop and implement strategies to comply with the requirements of climate commitment act and decarbonize their natural gas utility. Funds provided in this subsection may not be expended or obligated prior to January 1, 2025. If Initiative Measure No. 2117 is approved in the general election, this subsection is null and void upon the effective date of the measure.



**FUND OBLIGATION, DE-OBLIGATION, CONTRACT APPROVAL
ROUTING SLIP**

ENERGY DIVISION | ENERGY PROGRAMS IN COMMUNITIES

FOR COMMERCE USE ONLY

REVIEWED BY	I VERIFY THAT:	INITIALS
<p>PROGRAM MANAGER <i>Commerce Specialist 3</i></p>	<ul style="list-style-type: none"> Any and all changes made are within my delegated authority and responsibilities Fund source reviewed and contract amount approved If applicable, formula fund allocation spreadsheet emailed to appropriate staff, included with obligation memo <i>If routing a Fund Obligation Memo</i>, draft memo reviewed and approved by leadership prior to routing final memo in DocuSign for AD approval <i>If routing Contracts</i>, associated Fund Obligation Memo approved prior to routing contract or amendment. 	<p>Initial BD</p>
<p>TEAM SUPERVISOR <i>Commerce Specialist 5</i></p>	<ul style="list-style-type: none"> Any and all changes made are within my delegated authority and responsibilities Fund source, contract terms, scope of work reviewed and approved 	<p>Initial JW</p>
<p>BUDGET STAFF</p>	<ul style="list-style-type: none"> Any and all changes made are within my delegated authority and responsibilities Reviewed allotment authority and coding Appropriate award paperwork in place, if applicable Reviewed contract/amendment entry in CMS 	<p>DS DN</p>
<p>SECTION SUPERVISOR <i>WMS 2</i></p>	<ul style="list-style-type: none"> Any and all changes made are within my delegated authority and responsibilities Contract terms, scope of work reviewed and approved 	<p>DS SM</p>
<p>MANAGING DIRECTOR <i>Alternate: Assistant Managing Director on behalf of MD</i></p>	<ul style="list-style-type: none"> Any and all changes made are within my delegated authority and responsibilities Final review before appointing authority signature 	<p>DS SM</p>
<p>ASSISTANT DIRECTOR cc: Admin Assistant <i>Alternate: Deputy Assistant Director on behalf of AD</i></p>	<ul style="list-style-type: none"> Contract, amendment, or memo approved and signed by Appointing Authority 	<p>Signed on attached document</p>

Certificate Of Completion

Envelope Id: 0FE17B43-D08F-4DBB-B84F-18910C45E3DA

Status: Completed

Subject: Docusign: Contract #25-53310-002 - City of Ellensburg Decarbonization Planning Strategy

Division:

Energy

Program: Direct Appropriation

ContractNumber: 25-53310-002

DocumentType: Contract

Source Envelope:

Document Pages: 21

Signatures: 2

Envelope Originator:

Certificate Pages: 6

Initials: 5

Dominic Davis

AutoNav: Enabled

1011 Plum Street SE

Envelopeld Stamping: Enabled

MS 42525

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Olympia, WA 98504-2525

dominic.davis@commerce.wa.gov

IP Address: 147.55.149.245

Record Tracking

Status: Original

Holder: Dominic Davis

Location: DocuSign

3/20/2025 4:43:47 PM

dominic.davis@commerce.wa.gov

Security Appliance Status: Connected

Pool: StateLocal

Storage Appliance Status: Connected

Pool: Washington State Department of Commerce

Location: Docusign

Signer Events

Bryce Davis

bryce.davis@commerce.wa.gov

Security Level: Email, Account Authentication (None)

Signature

Initial
BD

Timestamp

Sent: 3/20/2025 4:46:39 PM

Viewed: 3/20/2025 4:47:34 PM

Signed: 3/20/2025 4:47:48 PM

Signature Adoption: Pre-selected Style

Using IP Address: 147.55.134.62

Electronic Record and Signature Disclosure:

Not Offered via Docusign

Jacqueline West

jacqueline.west@commerce.wa.gov

Security Level: Email, Account Authentication (None)

Initial
JW

Sent: 3/20/2025 4:47:49 PM

Viewed: 3/20/2025 4:49:38 PM

Signed: 3/20/2025 4:49:59 PM

Signature Adoption: Pre-selected Style

Using IP Address: 198.238.8.174

Electronic Record and Signature Disclosure:

Not Offered via Docusign

Dan Nguyen

dan.nguyen@commerce.wa.gov

Budget Analyst

Signing Group: COM Energy Budget Office

Security Level: Email, Account Authentication (None)

DS
DN

Sent: 3/20/2025 4:50:00 PM

Viewed: 3/21/2025 10:01:41 AM

Signed: 3/27/2025 3:36:45 PM

Signature Adoption: Pre-selected Style


Using IP Address: 198.239.106.194

Electronic Record and Signature Disclosure:

Not Offered via Docusign

Signer Events	Signature	Timestamp
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Stephanie Molloy
 stephanie.molloy@commerce.wa.gov
 Asst Managing Director, EPIC
 Security Level: Email, Account Authentication (None)


 Signature Adoption: Pre-selected Style
 Using IP Address: 198.239.10.250

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Electronic Record and Signature Disclosure:
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
Heidi Behrends Cerniwey
 Cerniweyh@ci.ellensburg.wa.us
 City Manager
 Security Level: Email, Account Authentication (None)


 Signature Adoption: Pre-selected Style
 Using IP Address: 64.146.186.2

Sent: 3/28/2025 8:05:53 AM
 Viewed: 3/28/2025 12:40:39 PM
 Signed: 3/28/2025 12:40:57 PM

Electronic Record and Signature Disclosure:
 Accepted: 10/17/2022 9:25:22 AM
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Stephanie Molloy
 stephanie.molloy@commerce.wa.gov
 Asst Managing Director, EPIC
 Security Level: Email, Account Authentication (None)


 Signature Adoption: Pre-selected Style
 Using IP Address: 198.238.6.155

Sent: 3/28/2025 12:40:59 PM
 Viewed: 3/31/2025 8:19:34 AM
 Signed: 3/31/2025 8:20:15 AM

Electronic Record and Signature Disclosure:
 Not Offered via DocuSign

Jennifer Grove
 jennifer.grove@commerce.wa.gov
 Assistant Director, Energy
 Security Level: Email, Account Authentication (None)


 Signature Adoption: Pre-selected Style
 Using IP Address: 147.55.134.15

Sent: 3/31/2025 8:20:17 AM
 Viewed: 3/31/2025 4:48:11 PM
 Signed: 3/31/2025 4:48:45 PM

Electronic Record and Signature Disclosure:
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Editor Delivery Events	Status	Timestamp
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Agent Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Nichole Baker
 bakern@ci.ellensburg.wa.us
 Security Level: Email, Account Authentication (None)


 Using IP Address: 64.146.186.2

Sent: 3/28/2025 8:05:52 AM
 Viewed: 3/28/2025 12:36:45 PM

Electronic Record and Signature Disclosure:
 Accepted: 3/28/2025 12:36:45 PM
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Carbon Copy Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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<p>Betsy Kindblade betsy.kindblade@commerce.wa.gov Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	<div style="border: 2px solid blue; padding: 5px; display: inline-block;">COPIED</div>	Sent: 3/28/2025 12:40:59 PM
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<p>Danielle Saguil danielle.saguil@commerce.wa.gov Administrative Assistant 3 Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	<div style="border: 2px solid blue; padding: 5px; display: inline-block;">COPIED</div>	Sent: 3/31/2025 8:20:17 AM
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	3/20/2025 4:46:39 PM
Certified Delivered	Security Checked	3/31/2025 4:48:11 PM
Signing Complete	Security Checked	3/31/2025 4:48:45 PM
Completed	Security Checked	3/31/2025 4:48:45 PM

Payment Events	Status	Timestamps
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- ii. send us an email to docusign@commerce.wa.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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STATE OF WASHINGTON
DEPARTMENT OF COMMERCE
1011 Plum Street SE • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000
www.commerce.wa.gov

August 14, 2025

City of Ellensburg
501 N Anderson St
Ellensburg, WA 98926

RE: Closeout of City of Ellensburg Contract #25-53310-002

Dear Heidi Behrends Cerniwey,

As of June 30th, City of Ellensburg Contract #25-53310-002 with the Washington State Department of Commerce for City of Ellensburg Decarbonization Planning Strategy is now considered closed. Our financial records show the following reconciliation of your agreement funding.

Agreement award	\$	727,500.00
Total expended	\$	727,500.00
Unexpended funds	\$	0.00

Pursuant to RCW 40.14, City of Ellensburg is required to maintain all records, invoices, and backup documentation and data pertinent to this agreement for a period of six years from the end date. These records are subject to inspection at any time by state and federal program staff and auditors.

Please countersign this letter as acknowledgment of receipt of the contract closeout notification.

If there are any questions, please contact Bryce Davis at bryce.davis@commerce.wa.gov.

Sincerely,

DocuSigned by:
Stephanie Molloy
Signature: _____
Amanda Rains, Managing Director
Energy Programs in Communities Unit

DocuSigned by:
Heidi Behrends Cerniwey
Signature: _____
Heidi Behrends Cerniwey
City Manager

Date: 8/19/2025 | 4:52 PM PDT

Date: 8/19/2025 | 10:52 AM CDT



**FUND OBLIGATION, DE-OBLIGATION, CONTRACT APPROVAL
ROUTING SLIP**

ENERGY DIVISION | ENERGY PROGRAMS IN COMMUNITIES

FOR COMMERCE USE ONLY

REVIEWED BY	I VERIFY THAT:	INITIALS
<p>PROGRAM MANAGER <i>Commerce Specialist 3</i></p>	<ul style="list-style-type: none"> Any and all changes made are within my delegated authority and responsibilities DocuSign or Amendment form has been added to CMS and both match (include dollar amount and start/end dates) Fund source reviewed and contract amount approved If applicable, formula fund allocation spreadsheet emailed to appropriate staff, included with obligation memo <i>If routing a Fund Obligation Memo</i>, draft memo reviewed and approved by leadership prior to routing final memo in DocuSign for AD approval <i>If routing Contracts</i>, associated Fund Obligation Memo approved prior to routing contract or amendment. 	<p>Initial BD</p>
<p>TEAM SUPERVISOR <i>Commerce Specialist 5</i></p>	<ul style="list-style-type: none"> Any and all changes made are within my delegated authority and responsibilities Fund source, contract terms, scope of work reviewed and approved 	<p>DS SM</p>
<p>BUDGET STAFF</p>	<ul style="list-style-type: none"> Any and all changes made are within my delegated authority and responsibilities Reviewed allotment authority and coding Appropriate award paperwork in place, if applicable Reviewed contract/amendment entry in CMS 	<p>Initial MP</p>
<p>SECTION SUPERVISOR <i>WMS 2</i></p>	<ul style="list-style-type: none"> Any and all changes made are within my delegated authority and responsibilities Contract terms, scope of work reviewed and approved 	<p>DS SM</p>
<p>MANAGING DIRECTOR <i>Alternate: Assistant Managing Director on behalf of MD</i></p>	<ul style="list-style-type: none"> Any and all changes made are within my delegated authority and responsibilities Final review before appointing authority signature 	
<p>ASSISTANT DIRECTOR cc: Admin Assistant <i>Alternate: Deputy Assistant Director on behalf of AD</i></p>	<ul style="list-style-type: none"> Contract, amendment, or memo approved and signed by Appointing Authority 	<p>Signed on attached document</p>

Certificate Of Completion

Envelope Id: 92F981C7-19C6-4CE7-8F09-84B522E40125
 Subject: Complete with Docusign: Closeout Letter - City of Ellensburg Contract #25-53310-002
 Division:
 Energy
 Program: Direct Appropriation
 ContractNumber: 25-53310-002
 DocumentType:
 Other
 Source Envelope:
 Document Pages: 2
 Certificate Pages: 5
 AutoNav: Enabled
 Envelopeld Stamping: Enabled
 Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Status: Completed
 Envelope Originator:
 Dominic Davis
 1011 Plum Street SE
 MS 42525
 Olympia, WA 98504-2525
 dominic.davis@commerce.wa.gov
 IP Address: 198.239.10.183

Record Tracking

Status: Original
 8/18/2025 1:44:29 PM
 Security Appliance Status: Connected
 Storage Appliance Status: Connected
 Holder: Dominic Davis
 dominic.davis@commerce.wa.gov
 Pool: StateLocal
 Pool: Washington State Department of Commerce
 Location: DocuSign
 Location: Docusign

Signer Events

Bryce Davis
 bryce.davis@commerce.wa.gov
 Security Level: Email, Account Authentication (None)

Signature


 Initial
 BD

Timestamp

Sent: 8/18/2025 3:23:03 PM
 Viewed: 8/18/2025 3:50:31 PM
 Signed: 8/18/2025 3:50:46 PM

Signature Adoption: Pre-selected Style
 Using IP Address: 73.59.56.119

Electronic Record and Signature Disclosure:
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Stephanie Molloy
 stephanie.molloy@commerce.wa.gov
 Asst Managing Director, EPIC
 Security Level: Email, Account Authentication (None)


 DS
 SM

Sent: 8/18/2025 3:50:47 PM
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Electronic Record and Signature Disclosure:
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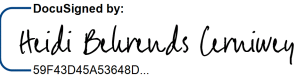
Mamie Perez
 mamie.perez@commerce.wa.gov
 Signing Group: DL Energy Budget
 Security Level: Email, Account Authentication (None)


 Initial
 MP


Sent: 8/18/2025 4:22:14 PM
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 Signed: 8/19/2025 8:32:31 AM

Signature Adoption: Pre-selected Style
 Using IP Address: 147.55.134.57

Electronic Record and Signature Disclosure:
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Signer Events	Signature	Timestamp
Heidi Behrends Cerniwey Cerniweyh@ci.ellensburg.wa.us City Manager Security Level: Email, Account Authentication (None)	 <p>DocuSigned by: Heidi Behrends Cerniwey 59F43D45A53648D...</p> <p>Signature Adoption: Pre-selected Style Using IP Address: 64.146.186.2</p>	Sent: 8/19/2025 8:32:33 AM Viewed: 8/19/2025 8:52:02 AM Signed: 8/19/2025 8:52:40 AM

Electronic Record and Signature Disclosure:
 Accepted: 10/17/2022 9:25:22 AM
 ID: 41f635ce-6f00-461a-b2e6-cc63ef40fdb2

Stephanie Molloy stephanie.molloy@commerce.wa.gov Asst Managing Director, EPIC Delegate Of: Amanda Rains amanda.rains@commerce.wa.gov Security Level: Email, Account Authentication (None)	 <p>DocuSigned by: Stephanie Molloy 7C86220F8FED483...</p> <p>Signature Adoption: Pre-selected Style Using IP Address: 147.55.134.113</p>	Sent: 8/19/2025 8:52:41 AM Viewed: 8/19/2025 4:52:23 PM Signed: 8/19/2025 4:52:38 PM
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Agent Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Betsy Kindblade betsy.kindblade@commerce.wa.gov Security Level: Email, Account Authentication (None)		Sent: 8/19/2025 8:52:41 AM
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Signing Complete	Security Checked	8/19/2025 4:52:38 PM
Completed	Security Checked	8/19/2025 4:52:38 PM

Payment Events	Status	Timestamps
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Decarbonization Roadmap Workplan

City of Ellensburg

Prepared For
City of Ellensburg

Prepared By
GLUMAC
707 Wilshire Blvd, 23rd Floor
Los Angeles, CA 90017

Date Issued
June 19, 2025

Glumac Project Number
25US00345

Decarbonization Roadmap Workplan

I. PROJECT OVERVIEW

The City of Ellensburg (Ellensburg) has been awarded \$727,500 in grant funding from the Washington State Department of Commerce to support the development of a community-wide decarbonization plan. As the only municipally owned natural gas and electric utility in the state, Ellensburg is uniquely positioned to lead on utility decarbonization and climate-aligned infrastructure planning. As Ellensburg's electrical generation mix is 95% carbon-free, the focus of the Decarbonization Roadmap will be to evaluate decarbonization solutions, their impact on the City's infrastructure, and potential energy efficiency and electrification incentive programs.

With Ellensburg's electrical generation portfolio already 95% carbon-free, the Decarbonization Roadmap will focus on identifying, evaluating, and prioritizing measures that reduce community-wide natural gas emissions. Specifically, Ellensburg seeks to:

- Quantify the emissions impact of natural gas fuel-switching measures across the residential, commercial, and municipal building stock.
- Assess grid capacity, existing electrical infrastructure reliability, and potential resilience upgrades, and develop future load forecasts for multiple decarbonization scenarios in alignment with the Climate Commitment Act (CCA) and the Clean Energy Transformation Act (CETA).
- Evaluate Compliance Requirements under the Clean Building Performance Standard (CBPS) for municipal facilities.
- Develop a decarbonization implementation framework including pathways, cost estimates, funding strategies, and public engagement processes to support a phased transition to align with CCA and CETA compliance requirements.

The following Decarbonization Roadmap Workplan outlines various options for the Decarbonization Roadmap project. It should be noted that the Decarbonization Roadmap is not confined to the below options, is subject to modifications, and may not encompass all possible details from the Decarbonization Roadmap.

II. BACKGROUND

The City of Ellensburg owns and operates the municipal utilities that provide electric and natural gas services to residents, institutions, and businesses. As such, Ellensburg plays a central role in planning and delivering infrastructure that meets current and future energy demands while aligning with Washington State climate legislation and community-wide sustainability objectives.

Electricity delivered by the City of Ellensburg is approximately 95% carbon-free, primarily sourced from hydropower and nuclear generation. However, significant emissions remain from natural gas combustion in residential, commercial, and municipal buildings. In response to state-level climate mandates and the need to guide future infrastructure investments, Ellensburg has initiated the development of a Decarbonization Roadmap. This work plan will evaluate building-level emissions, electrification readiness, and infrastructure needs while prioritizing high-impact, cost-effective actions that reduce community-wide greenhouse gas (GHG) emissions.

LEGISLATIVE PROJECT DRIVERS

The Decarbonization Roadmap is driven by compliance with multiple state statutes targeting deep decarbonization across the energy system:

- **Climate Commitment Act (CCA):** Enacted in 2021, the CCA established Cap-and-Invest, a market-based program that applies emissions limits to high-intensity carbon emitters and their customers. The CCA sets limits on greenhouse gas emissions from the largest sources and industries, and it requires businesses to obtain allowances equal to their covered emissions. The cap will be reduced over time to help Washington achieve its statewide emission goals of a 95% reduction in greenhouse gas emissions by the year 2050.
- **Clean Energy Transformation Act (CETA):** Passed in 2019, CETA requires all Washington utilities to transition to 100% clean electricity by 2045, with an interim requirement to achieve GHG neutrality by 2030. Ellensburg is classified as a consumer-owned utility and submitted its first Clean Energy Implementation Plan (CEIP) in 2021.
- **Clean Building Performance Standard (CBPS):** Under Washington's Clean Buildings Performance Standard, buildings over 50,000 square feet (Tier 1) and those over 20,000 square feet (Tier 2) are required to complete energy performance reporting and compliance documents. Tier 2 compliance must be met by July 2027, and Tier 1 compliance deadlines range from June 2026-2028, depending on building square footage. Municipal buildings fall under the Tier 2 requirements.

EXISTING CITY PLANS AND RESOURCES

The City of Ellensburg has completed multiple planning efforts that provide a foundation for the Decarbonization Roadmap. The consultant will be expected to build upon this work, identify reusable data, and avoid redundancy in analysis.

- **Sustainability and Energy Plan (2024):** This plan includes a high-level GHG inventory, emissions forecast, and recommended actions across 13 key strategic areas. Focus areas relevant to the Decarbonization Roadmap include energy systems, building decarbonization, and municipal fleet electrification. The plan recommends a multi-criteria prioritization framework that considers cost-benefit analysis, staff capacity, and emissions reduction potential. It

also recommends biannual updates to the GHG inventory for tracking and transparency.

- **Long-Range Electric System Capital Facilities Plan (2025):**

This plan evaluates the capacity and reliability of Ellensburg’s electrical distribution system through 2044. It incorporates population growth, the electrification of Central Washington University (Ellensburg’s largest utility customer), residential heating and water heating electrification, and anticipated EV adoption. The plan identifies substation-level capacity constraints, proposes investments in Advanced Metering Infrastructure (AMI), demand response, and voltage optimization, and highlights the need for resilience upgrades at critical facilities. The consultant shall use this information to assess infrastructure requirements associated with decarbonization scenarios.

These studies provide relevant information and prior planning context for the Decarbonization Roadmap. The Decarbonization Roadmap project will evaluate scenarios not previously considered under the Sustainability and Energy Plan or Long-Range Electric System Capital Facilities Plan, including decarbonization across multiple building sectors, and provisions for project funding opportunities and utility incentive opportunities.

III. SCOPE OF SERVICES

The selected Consultant will lead a multi-phase process culminating in a Decarbonization Roadmap. Ellensburg expects deliverables to include data-driven recommendations and be suitable for public distribution and long-term implementation. Ellensburg expects both written and dynamic dashboard-style deliverables, as well as a series of up to three (3) final presentations of recommendations to stakeholder groups.

Project Initiation and Baseline Review

- **Conduct a kickoff meeting** with City staff to confirm project goals, scope, and primary focus areas.
- **Review applicable legislative frameworks** (e.g., Washington’s Climate Commitment Act (CCA), Clean Energy Transformation Act (CETA), and Clean Buildings Performance Standard (CBPS) to identify relevant requirements, compliance deadlines, and regulatory thresholds for the City.
- **Identify key stakeholders and engagement approach:** Determine the key stakeholders and partners for the roadmap, with a focus on internal collaborators (e.g. City advisory committees, City Council, etc.) and major institutional customers such as Central Washington University (CWU). Outline a communication plan and engagement strategy that will be refined in collaboration with City leadership.
- **Define technical and strategic focus areas** for the Decarbonization Roadmap, including:

- Natural gas decarbonization pathways for residential, commercial, and municipal sectors.
- Electrical grid capacity and electrification scenarios to support increased electric heating, vehicles, and other loads.
- Policy and programmatic strategies (e.g., updated building codes, outreach programs, and potential utility incentive programs) to drive decarbonization.
- **Evaluate existing plans and data sources** (e.g., the Sustainability and Energy Plan, Long-Range Electric System Capital Facilities Plan, and CWU's own decarbonization/climate action plan) to extract usable data and determine how each document can inform the baseline assessment and subsequent analysis. Particular attention will be given to CWU's decarbonization planning, given CWU's role as a major municipal utility customer, decarbonization partner, and the infrastructure necessary to facilitate the endeavor.

Technical Analysis and Strategy Development

- **Quantify impacts of decarbonization measures:** Analyze various decarbonization measures across Ellensburg's customer base of residential buildings, municipal facilities, institutional customers, and others with project types including building electrification, energy efficiency upgrades, and on-site renewable generation.
- **Evaluate electrical infrastructure impacts:** Assess Ellensburg's electrical grid capacity under projected electrification scenarios. Identify necessary grid upgrades or expansions and evaluate resilience and reliability needs to accommodate increased electricity demand (for example, from electric heating and vehicle charging).
- **Perform a technology review:** Examine the costs, benefits, and suitability of key emerging and existing decarbonization technologies (e.g., heat pump systems, energy management controls, solar plus storage solutions). Determine the applicability of these technologies for Ellensburg's residential, commercial, and municipal contexts.
- **Evaluate potential incentive programs:** Identify and evaluate possible incentive programs that Ellensburg's municipal utility could administer to encourage residential and commercial decarbonization. Consider the likely uptake and impact of these incentives on community participation and overall emissions goals.
- **Create a decarbonization program visualization tool:** Develop a program visualization tool to support roadmap communication, decision-making, and implementation monitoring. The tool should visually integrate building stock data, emissions forecasts, decarbonization opportunities, and project prioritization. It should enable City staff and stakeholders to:
 - Identify high-impact buildings and sectors

- Explore decarbonization scenarios
- Track roadmap progress by sector, timeframe, or action type
- View projected emissions outcomes under alternative investment pathways
- Track, analyze, and forecast compliance instruments

Report and Program Framework

- **Compile findings into a comprehensive report:** Consolidate the technical analysis, stakeholder input, and recommended actions into a draft Decarbonization Roadmap report. This report will clearly document baseline conditions, analysis methodologies, and proposed strategies in a format suitable for City review and public communication.
- **Decarbonization program costs:** Develop planning-level costs and associated benefits for the decarbonization scenarios and priority measures identified. These cost projections will aid in understanding the financial scope of implementation and in seeking funding or budget allocation. Evaluate program costs in the context of Washington's carbon marketplace and over the program lifespan.
- **Propose an implementation framework:** Outline a phased implementation strategy for the roadmap, including proposed timelines, anticipated budget needs, and any recommended policy or code changes. Incorporate potential municipal utility-led incentive programs into this framework to encourage residential and commercial participation in decarbonization efforts. The framework should outline short-term and long-term actions, assign responsible parties, and establish milestones for tracking progress.
- **Deliver final tools and documentation:** Provide Ellensburg with a written report and a public-facing executive summary-style document. Deliver the final program visualization tool to Ellensburg. Deliver a series of up to three (3) presentations detailing the recommendations in the final report to the required stakeholder groups. It is anticipated (although subject to change) that these three presentations will be made to the City's project team closely associated with the project, the Utility Advisory Committee, and the Ellensburg City Council, with approval and potential revisions required at each stage.



Meeting Date: September 18, 2025
City of Ellensburg
Utility Advisory Committee Agenda Report

Agenda Subject: BPA - Provider of Choice Contract
Submitted by: Buddy Stanavich , Energy Services Director
Department: Energy Services

Suggested Motion/Action:
Favorable recommendation to City Council authorizing the Mayor to sign the Provider of Choice contract with the Bonneville Power Administration.

Background/Summary:
The City of Ellensburg became a full-requirements customer of BPA in 1940. The current power sales agreement, signed in late 2008 (FY 2009), is known as the Regional Dialogue Contract. Power delivery began October 1, 2011, and will expire September 30, 2028.

The upcoming Provider of Choice (POC) refers to the multi-year initiative undertaken to develop and execute new long-term section 5(b) contracts.

Provider of Choice contract:

- POC Final Policy and Record of Decision completed March 2024.
- POC contract offered September 8, 2025, must be signed and returned by Dec. 5, 2025.
- Contract High watermarks (CHWMs) will be published ~ June 2026, Above-CHWM elections following.
- Power delivery begins October 1, 2028, and expires September 30, 2044.

Previous Council Action:
None

Analysis:
BPA’s contract offer of power is based on determining the requesting utility’s firm power load and its resources, i.e., net requirements. The City is currently a load following customer, where BPA supplies the City with the energy and peak net requirements on an hourly basis, and takes on the City's obligations. Ellensburg elected to continue with a Load Following contract out of three purchase obligation choices (Load Following, Slice/Block, Block) which determines how it receives its power from BPA.

In the Provider of Choice Policy, BPA continues using a tiered rate design methodology (similar to the last contract) for power sold at a Priority Firm (PF) rate where sales of power under the contracts are subject to a two-tiered rate design. PF Tier 1 and PF Tier 2 rates will

be determined in a 7(i) proceeding consistent with the Public Rate Design Methodology (PRDM), sometimes referred to as Rate Cases. The next rate case, BP-29, will set rates for the first two-year rate period under new long-term Provider of Choice contracts that go into effect Oct. 1, 2028. Under the Northwest Power Act, the BPA is required to establish rates using sound business principles for the sale of power and transmission services. BPA's rates are designed to recover costs associated with the generation or conservation of electrical power as well as costs associated with the transmission of non-federal power across BPA's bulk electric grid.

BPA typically releases the average effective rate increases for both power and transmission services, measured across all BPA ratepayers. The actual rate impact for each of BPA's 142 power and 410 transmission customers varies based on the services they purchase.

Upon UAC approval, staff anticipates taking the POC contract to City Council in November for signature authorization and returning the Ellensburg signed copy to BPA shortly thereafter. BPA will execute the contracts no later than December 31, 2025, and return a copy once complete.

Financial Impact:

None at this time

Budget Adjustment: No

Attachments:

1. 25027 Contract Offer Cover Ltr
2. Ellensburg Final POC Contract - 26PS-25027



Department of Energy

Bonneville Power Administration
Eastern Customer Service Center
1620 E Hawthorne Rd, PO Box 789
Mead, WA 99021

POWER SERVICES

September 8, 2025

In reply refer to: PSE-MEAD-GOB

Mr. Buddy Stanavich
Energy Services Director
City of Ellensburg
501 N Anderson Street
Ellensburg, WA 98926-3147

RE: Provider of Choice Contract Offer

Dear Buddy:

Attached for your consideration is an original electronic copy of City of Ellensburg's (Ellensburg) Power Sales Agreement, Contract No. 26PS-25027 (Agreement), between the Bonneville Power Administration (BPA) and Ellensburg. This new Agreement provides for the purchase of the Load Following product for the power delivery period of October 1, 2028 through September 30, 2044.

If you find the Agreement acceptable, please electronically sign and date the Agreement and return it to me by e-mail no later than 4:30 p.m. PST, December 5, 2025. Upon receipt, I will sign the Agreement and provide you with a fully executed electronic copy of the Agreement for your records. Please contact me if you need an arrangement different than an electronic offer and execution.

If BPA does not receive Ellensburg's signed Agreement by the deadline above, BPA's offer will become null and void.

If you have any questions please contact me at (509) 822-4590.

Sincerely,

Hope Ross
Account Executive

Enclosure

POWER SALES AGREEMENT
executed by the
BONNEVILLE POWER ADMINISTRATION
and
CITY OF ELLENSBURG

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- Exhibit A Net Requirements and Resources
- Exhibit B Contract High Water Marks
- Exhibit C Purchase Obligations
- Exhibit D Additional Products and Special Provisions
- Exhibit E Metering
- Exhibit F Scheduling
- Exhibit G This Exhibit Intentionally Left Blank

Exhibit H Renewable Energy Certificates and Environmental Attributes
Exhibit I Notices and Contact Information
Exhibit J Support Services; Additional Resource and Energy Storage Device Requirements

This POWER SALES AGREEMENT (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA), and CITY OF ELLENSBURG (Ellensburg), hereinafter individually referred to as “Party” and collectively referred to as the “Parties”. Ellensburg is a municipal corporation, organized and authorized under the laws of the State of Washington, to purchase and distribute electric power to serve retail consumers from its distribution system within its service area.

RECITALS

Ellensburg’s power sales agreement Contract No. 09PB-13037 continues through September 30, 2028, and power sales under this Agreement begin on October 1, 2028. All obligations and liabilities accrued under Contract No. 09PB-13037 are preserved until satisfied.

BPA is a functionally separated organization with distinct administrative and decision-making activities for BPA’s power and transmission functions. References in this Agreement to Power Services or Transmission Services are solely for the purpose of clarifying which BPA function is responsible for such administrative and decision-making activities.

BPA is authorized to market electric power to qualified entities eligible to purchase such power. Under Section 5(b)(1) of the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act), 16 U.S.C. § 839c(b)(1), BPA is obligated to offer a power sales agreement to any eligible customer for the sale and purchase of electric power to serve the customer’s regional consumer load not served by the customer’s resources.

In the final Provider of Choice Policy, March 2024 BPA proposed to develop the contracts requested under Section 5(b) of the Northwest Power Act consistent with a tiered rates pricing construct for the Section 7(b) rate, in order to provide signals and to encourage the timely development of regional power resource infrastructure to meet regional consumer loads under this Agreement.

This Agreement effectuates a Contract High Water Mark (CHWM) for Ellensburg that establishes the amount of power Ellensburg may purchase from BPA at Tier 1 Rates.

The Parties agree:

1. **TERM**

This Agreement takes effect on the date signed by the Parties and expires on September 30, 2044. Power sales by BPA to Ellensburg under this Agreement shall commence on October 1, 2028, provided that the Parties have completed any obligations required between the Effective Date and October 1, 2028 as specified under this Agreement.

Until October 1, 2028, section 19, Governing Law and Dispute Resolution will only apply to the extent there is a dispute regarding actions required under this Agreement that occur prior to October 1, 2028.

All obligations and liabilities accrued under this Agreement are preserved until satisfied.

2. DEFINITIONS

Capitalized terms below shall have the meaning stated. Capitalized terms that are not listed below are either defined within the section or exhibit in which the term is used, or if not so defined, shall have the meaning stated in BPA's applicable Power Rate Schedules, including the General Rate Schedule Provisions (GRSPs) or Public Rate Design Methodology (PRDM). Definitions in **bold** indicate terms that are both defined in the PRDM and that the Parties agree should conform to the PRDM as it may be revised. The Parties agree that if such definitions are revised pursuant to the PRDM, then BPA shall promptly and unilaterally amend this Agreement to incorporate such revised definitions from the PRDM, to the extent they are applicable.

- 2.1 "5(b)/9(c) Policy" means BPA's Policy on Determining Net Requirements of Pacific Northwest Utility Customers Under Sections 5(b)(1) and 9(c) of the Northwest Power Act issued May 23, 2000, and its revisions or successors.
- 2.2 "**7(i) Process**" means a public process conducted by BPA, pursuant to Section 7(i) of the Northwest Power Act, 16 U.S.C. § 839e(i), or its successor, to establish rates for the sale of power and other products.
- 2.3 "Above-CHWM Load" means the forecasted portion of a customer's Preliminary Net Requirement that is in excess of the customer's CHWM, if any, as determined in the Above-CHWM Load Process.
- 2.4 "Above-CHWM Load Process" means the public process conducted during each Forecast Year, in which BPA will calculate the following values for the upcoming Rate Period: (1) each customer's Preliminary Net Requirement; (2) adjusted CHWMs; and (3) each customer's Above-CHWM Load.
- 2.5 "Annexed Load" means existing load, distribution system (regardless of voltage), or service territory Ellensburg acquires after the Effective Date from another utility, by means of annexation, merger, purchase, trade, or other acquisition of rights, the acquisition of which BPA determines is consistent with BPA's standards of service and has been authorized by agreement between the impacted utilities or by a final state, regulatory, or court action. The Annexed Load must be served from distribution facilities of any voltage that are owned or acquired by Ellensburg.
- 2.6 "Attribute Pools" shall have the meaning as defined in section 2 of Exhibit H.

- 2.7 “Average Megawatts” or “aMW” means the amount of electric energy in megawatt-hours (MWh) during a specified period of time divided by the number of hours in such period.
- 2.8 “Balancing Authority” shall have the meaning as defined in section 1 of Exhibit F.
- 2.9 “Balancing Authority Area” shall have the meaning as defined in section 1 of Exhibit F.
- 2.10 “Block” or “Block Product” means a planned amount of Firm Requirements Power sold to a customer to meet a portion of its regional consumer load.
- 2.11 “Business Day(s)” means every Monday through Friday, except federal holidays.
- 2.12 “**CHWM Contract**” means the power sales agreement between a customer and BPA that contains a Contract High Water Mark (CHWM), and under which the customer purchases power from BPA at rates established by BPA in accordance with the PRDM.
- 2.13 “Committed Power Purchase Amount” means an amount of firm energy, listed in sections 3 and 4 of Exhibit A, that Ellensburg has agreed to supply and use to serve its Total Retail Load. Such amount is not attributed to a Specified Resource.
- 2.14 “Consumer-Owned Resource” means a Generating Resource connected to Ellensburg’s distribution system (regardless of voltage) from which the output is owned by a retail consumer, has a nameplate capability greater than 1.000 megawatt, is operated to serve load, and is not operated occasionally or intermittently as a back-up energy source at times of maintenance or forced outage. Consumer-Owned Resource does not include a resource where the owner of the resource is a retail consumer that exists solely for the purpose of selling wholesale power and for which Ellensburg only provides incidental station service energy for local use at the retail consumer’s generating plant for uses such as lighting, heat and the operation of auxiliary equipment.
- 2.15 “Contracted For, or Committed To” or “CF/CT” shall have the meaning as described in section 20.3.1.1.
- 2.16 “Contract High Water Mark” or “CHWM” means the amount of Firm Requirements Power (expressed in annual Average Megawatts) that a customer is eligible to access at Tier 1 Rates. The amount of Firm Requirements Power a customer purchases at Tier 1 Rates is limited to the lesser of its CHWM or its Net Requirement as established consistent with section 1 of Exhibit A.

- 2.17 “Contract High Water Mark (CHWM) Implementation Policy” means the policy that documents the process details around the FY 2026 CHWM Calculation Process and Above-CHWM Load Process.
- 2.18 “Cumulative Prior Load” shall have the meaning as established in section 20.3.5.2.
- 2.19 “Cycle” shall have the meaning as defined in section 6 of Exhibit J.
- 2.20 “Cycles per Day” shall have the meaning as defined in section 6 of Exhibit J.
- 2.21 “Dedicated Resource” means a Specified Resource or a Committed Power Purchase Amount listed in Exhibit A that Ellensburg is required by statute to provide or obligates itself to provide under this Agreement for use to serve its Total Retail Load.
- 2.22 “Dispatchable Resource” means a Specified Resource from which generation amounts can be intentionally increased or decreased by the resource owner or operator, and which has capacity capability greater than the energy capability as defined in Exhibit J.
- 2.23 “Diurnal” means the division of hours within a month between Heavy Load Hours (HLH) and Light Load Hours (LLH).
- 2.24 “Due Date” shall have the meaning as described in section 16.2.
- 2.25 “Effective Date” means the date on which this Agreement has been signed by both Ellensburg and BPA.
- 2.26 “Electronic Tag” or “E-Tag” shall have the meaning as defined in section 1 of Exhibit F.
- 2.27 “Eligible Annexed Load” shall have the meaning as defined in section 3.5.7.
- 2.28 “Emissions Allowance” shall have the meaning as defined in section 2 of Exhibit H.
- 2.29 “Energy Storage Device” or “ESD” means a facility used to hold generated electric energy for release at a later time. Energy Storage Devices include energy storage facilities such as batteries. In Exhibit J, BPA documents Energy Storage Devices with alternating current (AC) nameplates (in some cases stated as facility interconnection AC nameplates) greater than 1.000 megawatt.
- 2.30 “Environmental Attribute Accounting Process” shall have the meaning as defined in section 2 of Exhibit H.
- 2.31 “Environmental Attributes” shall have the meaning as defined in section 2 of Exhibit H.

- 2.32 “Existing Resource” means a Specified Resource listed in section 2 of Exhibit A that Ellensburg was obligated by contract or statute to use to serve Ellensburg’s Total Retail Load prior to October 1, 2023.
- 2.33 “Federal Columbia River Power System” or “FCRPS” means the integrated power system that includes, but is not limited to, the transmission system constructed and operated by BPA and the hydroelectric dams in the Pacific Northwest constructed and operated by the U.S. Army Corps of Engineers and the Bureau of Reclamation.
- 2.34 “FERC” means the Federal Energy Regulatory Commission, or its successor.
- 2.35 “Firm Requirements Power” means electric power that BPA sells under this Agreement and makes continuously available to Ellensburg to meet BPA’s obligations to Ellensburg under Section 5(b) of the Northwest Power Act.
- 2.36 “Fiscal Year” or “FY” means the period beginning each October 1 and ending the following September 30.
- 2.37 “Flat Annual Shape” means a distribution of energy having the same Average Megawatt value of energy in each month of the year.
- 2.38 “Flat Within-Month Shape” means a distribution of energy having the same Average Megawatt value of energy in each Diurnal period of the month.
- 2.39 “Forecast Year” means the Fiscal Year ending one full year prior to the commencement of a Rate Period.
- 2.40 “FY 2026 CHWM Calculation Process” means the public process where BPA shall calculate each customer’s CHWM in accordance with section 2.4 of the Provider of Choice Policy, March 2024, as amended or revised.
- 2.41 “Generating Resource” means any source or amount of electric power from an identified electricity-producing unit, and for which the amount of power received by Ellensburg or Ellensburg’s retail consumer is determined by the power produced from such identified electricity-producing unit. Such unit may be owned by Ellensburg or Ellensburg’s retail consumer in whole or in part, or all or any part of the output from such unit may be owned for a defined period by contract.
- 2.42 “Heavy Load Hours” or “HLH” shall have the meaning as defined in section 1 of Exhibit F.
- 2.43 “HLH Diurnal Shape” means a distribution of energy between the Diurnal periods in which more megawatt-hours per hour are applied in the Heavy Load Hour (HLH) periods than megawatt-hours per hour applied in the Light

Load Hour (LLH) periods. Such distributions are determined by Ellensburg consistent with section 8 of Exhibit A.

- 2.44 “Hours of Maximum Discharge” shall have the meaning as defined in section 6 of Exhibit J.
- 2.45 “Interchange Points” shall have the meaning as defined in section 1 of Exhibit F.
- 2.46 “Inventory” or “Inventories” shall have the meaning as defined in section 2 of Exhibit H.
- 2.47 “Issue Date” shall have the meaning as described in section 16.1.
- 2.48 “Joint Operating Entity” or “JOE” means an entity that meets the requirements of Section 5(b)(7) of the Northwest Power Act.
- 2.49 “Light Load Hours” or “LLH” shall have the meaning as defined in section 1 of Exhibit F.
- 2.50 “Low Voltage Segment” means the facilities of a Third-Party Transmission Provider that are below 34.5kV.
- 2.51 “Maximum Charge Rate” shall have the meaning as defined in section 6 of Exhibit J.
- 2.52 “Maximum Potential CHWM” shall have the meaning as defined in section 1.2.5 of Exhibit B.
- 2.53 “Maximum Single Hour Discharge” shall have the meaning as defined in section 6 of Exhibit J.
- 2.54 “Net Requirement” means the amount of electric power that a customer may purchase from BPA to serve its Total Retail Load, minus amounts of its Dedicated Resources shown in Exhibit A, as determined consistent with Section 5(b)(1) of the Northwest Power Act.
- 2.55 “New Large Single Load” or “NLSL” shall have the meaning as specified in Section 3(13) of the Northwest Power Act and in the April 2001 Bonneville Power Administration New Large Single Load Policy or its successor (BPA’s NLSL Policy).
- 2.56 “New Resource” means: (1) a Specified Resource listed in section 2 of Exhibit A that Ellensburg was or is obligated by contract to use to serve Ellensburg’s Total Retail Load after September 30, 2023, and (2) any Committed Power Purchase Amounts listed in Exhibit A.

- 2.57 “**New Resource Rate**” or “NR Rate” means the rate for requirements firm power sold to an investor-owned utility (IOU) or public customer pursuant to Section 7(f) of the Northwest Power Act, 16 U.S.C. § 839e(c).
- 2.58 “Northwest Power Act” means the Pacific Northwest Electric Power Planning and Conservation Act, 16 U.S.C. § 839 et seq., Public Law No. 96-501, as amended.
- 2.59 “On-Site Consumer Load” means the load of an identified retail consumer of Ellensburg that is electrically interconnected at the same Point of Delivery to Ellensburg’s system with a Consumer-Owned Resource of that same identified retail consumer. Such load does not utilize BPA or Third-Party Transmission Provider transmission facilities to deliver the generation from the Consumer-Owned Resource to the consumer load.
- 2.60 “Open Access Transmission Tariff” or “OATT” shall have the meaning as defined in section 1 of Exhibit F.
- 2.61 “Peak Load Variance Service” or “PLVS” means a resource-capacity planning-based service for instances when planned load exceeds expected load forecast values.
- 2.62 “Planned NLSL” means the load at a facility that BPA and a customer have agreed, pursuant to the provisions of Section V.B. of BPA’s NLSL Policy, is expected to become an NLSL during the facility’s next consecutive 12-month monitoring period.
- 2.63 “Planned Transmission Outage” shall have the meaning as defined in section 1 of Exhibit F.
- 2.64 “Point of Delivery” or “POD” means the point where power is transferred from a transmission provider to Ellensburg.
- 2.65 “Point of Metering” or “POM” means the point at which power is measured.
- 2.66 “Potential NLSL” means a load at a facility that BPA determines is capable of growing ten Average Megawatt or more in a consecutive 12-month monitoring period that may qualify as an NLSL.
- 2.67 “Power Services” means the organization, or its successor organization, within BPA that is responsible for the management and sale of BPA-provided electric power.
- 2.68 “**Preliminary Net Requirement**” means a customer’s annual Net Requirement prior to accounting for any New Resources a customer may elect to serve its Above-CHWM Load. Preliminary Net Requirement is determined as the forecasted annual Total Retail Load less Existing Resources, NLSLs, Specified Resources added to Tier 1 Allowance Amount, and Consumer-

Owned Resources serving On-Site Consumer Load, as determined in the Above-CHWM Load Process.

- 2.69 “Primary Points of Receipt” shall have the meaning as defined in section 14.1.
- 2.70 “**Public Rate Design Methodology**” or “**PRDM**” means the methodology describing the manner in which BPA will collect a portion of its Power Revenue Requirement from public customers with a CHWM Contract through a combination of charges, credits, fees, and discounts, as well as the terms and conditions related to any potential changes to the methodology.
- 2.71 “Qualified Capacity Contribution” or “QCC” means the megawatt quantity of capacity provided by a resource, contract, or portfolio as defined by the Western Resource Adequacy Program (WRAP).
- 2.72 “Rate Case Year” means the Fiscal Year ending prior to the commencement of a Rate Period. The Rate Case Year immediately follows the Forecast Year and is the year in which the 7(i) Process for the next Rate Period is conducted.
- 2.73 “Rate Period” means the period of time during which a specific set of rates established by BPA pursuant to the PRDM is intended to remain in effect.
- 2.74 “Region” means the Pacific Northwest as defined in Section 3(14) of the Northwest Power Act.
- 2.75 “Renewable Energy Certificates” or “Renewable Energy Credits” or “RECs” shall have the meaning as defined in section 2 of Exhibit H.
- 2.76 “Retire” or “Retirement” shall have the meaning as defined in section 2 of Exhibit H.
- 2.77 “Resource Diurnal Shape” means a distribution of energy within each Diurnal period that a Specified Resource is expected to produce, as agreed to by the Parties in accordance with section 3.4.1(1).
- 2.78 “Resource Monthly Shape” means a distribution of energy within each month that a Specified Resource is expected to produce, as agreed to by the Parties in accordance with section 3.4.1(1).
- 2.79 “Resource Support Services” or “RSS” means a suite of services BPA Power Services provides to integrate federal and non-federal resources defined in Exhibit J and priced in each regular 7(i) Process consistent with chapter 6 of the PRDM.
- 2.80 “Round Trip Efficiency” shall have the meaning as defined in section 6 of Exhibit J.

- 2.81 “Scheduling Points of Receipt” shall have the meaning as defined in section 14.1.
- 2.82 “Slice/Block Product” means a customer’s purchase obligation under the Slice Product and the Block Product to meet its regional consumer load obligation as described in section 3.1 of the Slice/Block Product CHWM Contract.
- 2.83 “Slice Percentage” means the percentage used to determine the amount of the Slice Product a customer purchases, pursuant to its CHWM Contract.
- 2.84 “Slice Product” means the power product defined in section 5 of the Slice/Block Product CHWM Contract.
- 2.85 “Small Utility Adjustment” means the subsequent CHWM adjustment as provided in section 2.4.2.1 of the Provider of Choice Policy, March 2024, as amended or revised.
- 2.86 “Specified Resource” means a Generating Resource that has a nameplate capability or maximum hourly purchase amount greater than 1.000 megawatt, that a customer is required by statute or has agreed to use to serve its Total Retail Load. Each such resource is identified as a specific Generating Resource listed in sections 2 and 4 of Exhibit A.
- 2.87 “Storage Capacity” shall have the meaning as defined in section 6 of Exhibit J.
- 2.88 “Submitted Schedule” shall have the meaning as defined in section 3.7.
- 2.89 “Support Services” means a suite of services Power Services provides to customers, including RSS and other Support Services, as defined in Exhibit J and priced in each 7(i) Process consistent with chapter 6 of the PRDM.
- 2.90 “Surplus Firm Power” means firm power that is in excess of BPA’s obligations, including those incurred under Sections 5(b), 5(c), and 5(d) of the Northwest Power Act, as available.
- 2.91 “Third-Party Transmission Provider” means a transmission provider other than BPA that provides transmission service to serve Ellensburg’s load.
- 2.92 “Tier 1 Allowance Amount” means the aggregate total nameplate capacity of qualifying Specified Resources listed in section 2 of Exhibit A that Ellensburg is applying to offset its purchase obligation in accordance with section 3.5.2.
- 2.93 “**Tier 1 Marginal Energy True-Up**” means an end-of-Fiscal-Year process that evaluates the difference between forecast and actual energy usage and aligns that difference with appropriate Tier 1 Rate and market-based pricing levels, as described in chapter 4.2 of the PRDM.

- 2.94 “Tier 1 Rate(s)” shall have the meaning as described in chapter 4 of the PRDM.
- 2.95 “Tier 2 Long-Term Rate” means a Tier 2 Rate at which customers may elect to purchase Firm Requirements Power in accordance with section 2.3 of Exhibit C.
- 2.96 “Tier 2 Rate(s)” shall have the meaning as described in chapter 5 of the PRDM.
- 2.97 “Tier 2 Short-Term Rate” means a Tier 2 Rate at which customers may elect to purchase Firm Requirements Power in accordance with section 2.4 of Exhibit C.
- 2.98 “Tier 2 Vintage Rate” means a Tier 2 Rate(s) at which customers may elect to purchase Firm Requirements Power in accordance with section 2.5 of Exhibit C.
- 2.99 “Total Retail Load” or “TRL” means all retail electric power consumption, including electric system losses, within a customer’s electrical system, excluding:
- (1) those loads BPA and the customer have agreed are non-firm or interruptible loads,
 - (2) loads of other utilities served by such customer, and
 - (3) any loads not on such customer’s electrical system or not within such customer’s service territory, unless specifically agreed to by BPA.
- 2.100 “Transfer Service” means the transmission, distribution and other services provided by a Third-Party Transmission Provider to BPA to serve customer load over its transmission system, as listed in Exhibit E.
- 2.101 “Transfer Service Eligible Resource” means any (1) Dedicated Resource serving Total Retail Load, (2) Consumer-Owned Resource serving On-Site Consumer Load, or (3) any new non-federal resource pursuant to section 14.6.7.2.
- 2.102 “Transmission Curtailment” shall have the meaning as defined in section 1 of Exhibit F.
- 2.103 “Transmission Curtailment Management Service” or “TCMS” shall have the meaning as defined in section 1 of Exhibit F.
- 2.104 “Transmission Event” shall have the meaning as defined in section 1 of Exhibit F.

- 2.105 “Transmission Scheduling Service” or “TSS” shall have the meaning as defined in section 1 of Exhibit F.
- 2.106 “Transmission Scheduling Service-Full” or “TSS-Full” shall have the meaning as defined in section 1 of Exhibit F.
- 2.107 “Transmission Scheduling Service-Partial” or “TSS-Partial” shall have the meaning as defined in section 1 of Exhibit F.
- 2.108 “Transmission Services” means the organization, or its successor organization, within BPA that is responsible for the management and sale of transmission service on the Federal Columbia River Transmission System.
- 2.109 “Transmission System Delivery Plan” or “Delivery Plan” means the plan for each Dedicated Resource serving Ellensburg’s load or Consumer-Owned Resource serving On-Site Consumer Load that states the transmission system of the load that resource will serve.
- 2.110 “Uncontrollable Force” shall have the meaning as defined in section 18.
- 2.111 “Vintage Resource” shall have the meaning as defined in section 2.5 of Exhibit C.

3. LOAD FOLLOWING POWER PURCHASE OBLIGATION

3.1 Purchase Obligation

From October 1, 2028, and continuing through September 30, 2044, BPA shall sell and make available, and Ellensburg shall purchase, Firm Requirements Power in hourly amounts equal to Ellensburg’s hourly Total Retail Load minus the hourly firm energy from each of Ellensburg’s Dedicated Resources listed in sections 2, 3, and 4 of Exhibit A and Consumer-Owned Resources listed in sections 7.1, 7.3, and 7.4 of Exhibit A. Ellensburg shall determine the hourly firm energy from each of its Dedicated Resources pursuant to section 3.3. Such amounts of energy are subject to change pursuant to section 3.5 and section 10.

3.2 Take or Pay

Ellensburg shall pay for the Firm Requirements Power it is obligated to purchase and that BPA makes available under section 3.1, at the rates BPA establishes in a 7(i) Process pursuant to the PRDM, as applicable to such power, whether or not Ellensburg took delivery of such power.

3.3 Application of Dedicated Resources

Ellensburg shall serve a portion of its Total Retail Load with the Dedicated Resources listed in Exhibit A as follows:

- (1) Specified Resources, listed in section 2 of Exhibit A, and

- (2) Committed Power Purchase Amounts, listed in section 3.1 of Exhibit A.

Ellensburg shall use its Dedicated Resources to serve its Total Retail Load, and the Parties shall specify amounts of such Dedicated Resources in Exhibit A as stated below for each specific resource and type. BPA shall use the amounts listed in Exhibit A in determining Ellensburg's Net Requirement. The amounts listed are not intended to govern how Ellensburg operates its Specified Resources, except for those resources applied to the Tier 1 Allowance Amount and those resources supported with RSS from BPA.

3.3.1 Specified Resources

3.3.1.1 Application of Specified Resources

Ellensburg shall apply the output of all Specified Resources, listed in section 2 of Exhibit A, to Ellensburg's Total Retail Load in predefined hourly amounts consistent with section 3.7 except for those Specified Resources applied to Ellensburg's Tier 1 Allowance Amount, those Existing Resources that are Dispatchable Resources, and those Specified Resources that Ellensburg is supporting with RSS from BPA. For those Specified Resources applied to Ellensburg's Tier 1 Allowance Amount, Ellensburg shall apply all of the output as it is generated to Ellensburg's Total Retail Load. Ellensburg shall apply all Existing Resources that are Dispatchable Resources consistent with section 4 of Exhibit J. Ellensburg shall apply all Specified Resources supported with RSS from BPA to Ellensburg's Total Retail Load consistent with section 3 of Exhibit J.

3.3.1.2 Determining Specified Resource Amounts

For each Specified Resource, BPA, in consultation with Ellensburg, shall determine firm energy amounts for each Diurnal period and peak amounts for each month beginning with the later of the date the resource was dedicated to load or October 1, 2028, through the earlier of the date the resource will be permanently removed or September 30, 2044, and BPA shall list such amounts in section 2 of Exhibit A. BPA shall determine such amounts consistent with the 5(b)/9(c) Policy, and using the allowable shapes established in section 3.4.

3.3.2 Committed Power Purchase Amounts

3.3.2.1 Application of Committed Power Purchase Amounts

To serve Ellensburg's Above-CHWM Load that it commits to meet with Dedicated Resources in Exhibit C, Ellensburg shall provide and use Committed Power Purchase Amounts to meet any amount of such load not met with its Specified Resources

during each Rate Period. Ellensburg shall apply its Committed Power Purchase Amounts, listed in section 3 of Exhibit A, to Ellensburg's Total Retail Load in predefined hourly amounts consistent with section 3.7.

3.3.2.2 Determining Committed Power Purchase Amounts

By March 31 of each Rate Case Year, BPA shall calculate and update the table in section 3.1.2 of Exhibit A with Ellensburg's Committed Power Purchase Amounts for each year of the upcoming Rate Period. BPA shall calculate such Committed Power Purchase Amounts using the monthly and Diurnal shapes stated in section 3.1.1 of Exhibit A. Upon termination or expiration of this Agreement, any Committed Power Purchase Amounts listed in Exhibit A shall expire, and Ellensburg shall have no further obligation to apply Committed Power Purchase Amounts.

3.4 Shaping of Dedicated Resources

Ellensburg's Dedicated Resource amounts shall be shaped as follows.

3.4.1 Initial Monthly and Diurnal Resource Shapes

BPA shall initially state Ellensburg's Dedicated Resource amounts in Exhibit A with one of the following shapes:

- (1) Specified Resources in the amount of energy within each month and Diurnal period of a year that each resource is expected to generate output as determined pursuant to section 3.3.1.2; and
- (2) Committed Power Purchase Amounts in equal megawatt amounts for each hour in a year.

3.4.2 Reshaping Dedicated Resources

By October 31, 2027, and by October 31 of each Rate Case Year thereafter, Ellensburg may elect in writing, pursuant to section 3.4.3, to reshape its amounts of Dedicated Resources listed in sections 2 and 3.1 of Exhibit A, except for those Specified Resources applied to Ellensburg's Tier 1 Allowance Amount, those Existing Resources that are Dispatchable Resources, and those Specified Resources Ellensburg is supporting with RSS from BPA, for the next Rate Period. After BPA receives such written notice from Ellensburg, BPA shall, by the following March 31, revise Exhibit A to reflect such election.

3.4.3 Monthly and Diurnal Reshaping Options

Consistent with section 3.4.2, Ellensburg may elect to reshape one or more of its Dedicated Resources using the allowable shapes described below. If Ellensburg elects to reshape its Specified Resources, then Ellensburg shall elect both a monthly and a Diurnal shape for each Specified Resource that is reshaped. If Ellensburg elects to reshape its Committed Power Purchase Amounts, then the applicable monthly

shape will be the Flat Annual Shape and Ellensburg shall elect a Diurnal shape.

3.4.3.1 Specified Resources

For each Specified Resource listed in section 2 of Exhibit A Ellensburg may elect to apply each resource, in any of the following shapes:

- (1) Monthly shapes: (A) Resource Monthly Shape; or (B) Flat Annual Shape.
- (2) Diurnal shapes: (A) Resource Diurnal Shape; (B) Flat Within-Month Shape; or (C) HLH Diurnal Shape.

3.4.3.2 Committed Power Purchase Amounts

Ellensburg may elect to apply its Committed Power Purchase Amounts, listed in section 3.1 of Exhibit A, in either of the following Diurnal shapes: (A) Flat Within-Month Shape; or (B) HLH Diurnal Shape.

3.4.4 Hourly Resource Shape

Ellensburg shall apply its Dedicated Resources stated in sections 2 and 3.1 of Exhibit A in equal megawatt amounts during all LLH of a month and in equal megawatt amounts during all HLH of a month, except for those Specified Resources applied to Ellensburg's Tier 1 Allowance Amount, those Existing Resources that are Dispatchable Resources, and those Specified Resources Ellensburg is supporting with RSS from BPA.

3.5 Changes to Dedicated Resources

3.5.1 Specified Resource Additions to Meet Above-CHWM Load

With written notice to BPA by July 31 of a Forecast Year, Ellensburg may elect to add Specified Resources to section 2 of Exhibit A, with amounts effective at the start of the upcoming Rate Period, to meet any obligation Ellensburg may have in Exhibit C to serve its Above-CHWM Load with Dedicated Resources. The following apply for such Specified Resources:

- (1) BPA shall determine amounts for such Specified Resources in accordance with section 3.3.1.2.
- (2) Ellensburg may elect to reshape such Specified Resources in accordance with section 3.4.3, or may elect to purchase RSS from BPA to support such Specified Resources.

BPA shall revise Exhibit A consistent with Ellensburg's elections by March 31 following Ellensburg's elections under this section 3.5.1.

3.5.2 Specified Resources Added to Tier 1 Allowance Amount

At any time over the term of the Agreement and by written notice to BPA, Ellensburg may request for BPA to add Specified Resources that meet the qualifying criteria in section 3.5.2.2 to its Tier 1 Allowance Amount in section 2 of Exhibit J. BPA shall review such request and revise Exhibit A as soon as reasonably practical to include such resources, provided that BPA determines in its sole discretion that the Specified Resources meet such qualifying criteria. Any qualifying Specified Resource included in the Tier 1 Allowance Amount shall remain in the Tier 1 Allowance Amount for the term of the Agreement unless the resource is removed consistent with section 3.5.6. Any qualifying Specified Resource included in the Tier 1 Allowance Amount shall be treated as an Existing Resource for purposes of temporary resource removal as provided in section 10. Ellensburg's qualifying Specified Resources included in the Tier 1 Allowance Amount may be subject to charges pursuant to the applicable Power Rate Schedules and GRSPs.

3.5.2.1 Tier 1 Allowance Amount Limit

Ellensburg's Tier 1 Allowance Amount shall be limited to the amount stated in section 2 of Exhibit J, and shall not exceed the lesser of 5 MW or 50 percent of Ellensburg's CHWM reflected as a megawatt value. Such value will be considered the Tier 1 Allowance Amount limit. If BPA changes Ellensburg's CHWM consistent with section 1.2 of Exhibit B, then BPA shall recalculate Ellensburg's Tier 1 Allowance Amount limit and update Exhibit J if necessary. If Ellensburg has a reduction to its CHWM, then BPA shall determine whether a reduction in the Tier 1 Allowance Amount limit is appropriate. In the event that BPA reduces Ellensburg's Tier 1 Allowance Amount limit, BPA will determine on a case-by-case basis the treatment of Ellensburg's resource(s).

3.5.2.2 Qualifying Specified Resources For Tier 1 Allowance Amount

Any Specified Resource Ellensburg elects to add to its Tier 1 Allowance Amount must meet the following qualifying criteria:

- (1) the Specified Resource is a New Resource;
- (2) the Specified Resource is connected to Ellensburg's distribution system, regardless of voltage, and does not utilize BPA or Third-Party Transmission Provider transmission facilities; and,
- (3) the Specified Resource reduces Ellensburg's Total Retail Load.

3.5.3 Resource Additions for a BPA Insufficiency Notice

If BPA provides Ellensburg a notice of insufficiency and reduces its purchase obligation, in accordance with section 20.2, then Ellensburg may temporarily add Dedicated Resources to replace amounts of Firm Requirements Power BPA will not be providing due to insufficiency. The Parties shall revise Exhibit A to reflect such additions.

3.5.4 Decrements for 9(c) Export

If BPA determines, in accordance with section 20.6, that an export of a Specified Resource listed in section 2 of Exhibit A requires a reduction in the amount of Firm Requirements Power BPA sells Ellensburg, then BPA shall notify Ellensburg of the amount and duration of the reduction in Ellensburg's Firm Requirements Power purchases from BPA. Within 20 calendar days of such notification Ellensburg may temporarily add a Specified Resource to section 2 of Exhibit A in the amount and for the duration of such decrement. If Ellensburg does not add a Specified Resource to meet such decrement, then within 30 calendar days of such notification BPA shall add Committed Power Purchase Amounts to section 3.2 of Exhibit A in the amount and for the duration of such decrement.

3.5.5 Temporary Resource Removal

By March 31 of each Rate Case Year, BPA shall revise Ellensburg's Dedicated Resource amounts listed in the tables of Exhibit A consistent with Ellensburg's resource removal elections made in accordance with section 10.

3.5.6 Permanent Discontinuance of Resources

Ellensburg may permanently remove a Specified Resource listed in section 2 of Exhibit A, consistent with the 5(b)/9(c) Policy on statutory discontinuance for permanent removal. If BPA makes a determination that Ellensburg's Specified Resource has met BPA's standards for a permanent removal, then BPA shall revise Exhibit A accordingly. If Ellensburg does not replace such resource with another Dedicated Resource, then Ellensburg's additional Firm Requirements Power purchases under this Agreement, as a result of such a resource removal, shall be subject to the applicable rates or charges as established in the Power Rate Schedules and GRSPs.

3.5.7 Resource Additions for Annexed Loads

If Ellensburg acquires an Annexed Load, Ellensburg may add Dedicated Resources to Exhibit A, subject to sections 3.5.7.1 and 3.5.7.2 below, to serve amounts of such Annexed Load that are Eligible Annexed Load. "Eligible Annexed Load" means an Annexed Load: (1) that is added after the Effective Date, and (2) for which Ellensburg did not receive a CHWM addition pursuant to section 1.2.2 of Exhibit B.

- 3.5.7.1 During the Rate Period in which Ellensburg acquires an Eligible Annexed Load, Ellensburg may serve such load for the remainder of that Rate Period with Dedicated Resources in the shape of the load, as negotiated by the Parties, or with additional power purchased from BPA. If Ellensburg elects to serve such load with Dedicated Resources, then Ellensburg shall apply such resources for the remainder of the Rate Period. If Ellensburg elects to purchase additional power from BPA for the Annexed Load, then during that Rate Period such power purchases shall be subject to the applicable rates or charges as established in the Power Rate Schedules and GRSPs and as applicable to the shape of the Eligible Annexed Load.
- 3.5.7.2 For all Rate Periods after the Rate Period when Ellensburg acquires an Eligible Annexed Load, Ellensburg shall serve such load pursuant to Ellensburg's elections and either (1) apply Dedicated Resources or (2) purchase Firm Requirements Power at the applicable rates or charges as established in the Power Rate Schedules and GRSPs.

3.5.8 Resource Additions/Removals for NLSLs

- 3.5.8.1 To serve a Planned NLSL or an NLSL listed in Exhibit D that is added after the Effective Date, Ellensburg may add Dedicated Resources to section 4 of Exhibit A. Ellensburg may discontinue serving its NLSL with the Dedicated Resources listed in section 4 of Exhibit A if BPA determines that Ellensburg's NLSL is no longer: (1) an NLSL, or (2) in Ellensburg's service territory.
- 3.5.8.2 If Ellensburg elects to serve a Planned NLSL or an NLSL with Dedicated Resources, then Ellensburg shall specify in section 4 of Exhibit A the maximum monthly and Diurnal Dedicated Resource amounts that Ellensburg plans to use to serve the NLSL. Ellensburg shall establish such firm energy amounts and BPA shall state such amounts in section 4 of Exhibit A for each month beginning with the date the resource was dedicated to the Planned NLSL or NLSL through the earlier of the date the resource will be removed or September 30, 2044. Ellensburg shall serve the actual load of the Planned NLSL or NLSL up to such maximum amounts with such Dedicated Resource amounts. To the extent that the load at a Planned NLSL or an NLSL is less than the maximum amount in any monthly or Diurnal period, Ellensburg shall have no right or obligation to use such amounts to serve load other than a Planned NLSL or an NLSL. Specific arrangements to match such resources to the Planned NLSL or NLSL on an hourly basis shall be established in Exhibit D.

3.5.9 **PURPA Resources**

If Ellensburg is required by the Public Utility Regulatory Policies Act (PURPA) to acquire output from a Generating Resource and plans to use that output to serve its Total Retail Load, then such output shall be added as a Specified Resource pursuant to Exhibit A. Ellensburg shall purchase RSS from BPA (or equivalent service) to support such resources for the term of this Agreement.

3.6 **Consumer-Owned Resources**

Except for any Consumer-Owned Resources serving a Planned NLSL or an NLSL, which Ellensburg has applied to load consistent with section 20.3, Ellensburg shall apply the output of Consumer-Owned Resources as follows:

3.6.1 **Existing Consumer-Owned Resources**

Ellensburg shall designate, in sections 7.1, 7.2, or 7.3 of Exhibit A, the extent that each existing Consumer-Owned Resource as of the Effective Date will or will not serve On-Site Consumer Load. Ellensburg shall make such designation to BPA in writing no later than 60 calendar days after BPA publishes, to its publicly available website, Ellensburg's final CHWMs from the FY 2026 CHWM Calculation Process. Such designation shall apply for the term of this Agreement.

3.6.2 **New Consumer-Owned Resources**

Ellensburg shall designate the extent that each Consumer-Owned Resource commencing commercial operation after the Effective Date will or will not serve On-Site Consumer Load. Ellensburg shall make such designation to BPA in writing within 120 days of energization of such resource. Such designation shall apply for the term of this Agreement.

Consistent with Ellensburg's designations, BPA shall list Consumer-Owned Resources serving On-Site Consumer Load in section 7.1 of Exhibit A, Consumer-Owned Resources not serving On-Site Consumer Load in section 7.2 of Exhibit A, and Consumer-Owned Resources serving both On-Site Consumer Load and load other than On-Site Consumer Load in section 7.3 of Exhibit A.

3.6.3 **Application of Consumer-Owned Resources Serving On-Site Consumer Load**

Power generated from Consumer-Owned Resources listed in section 7.1 of Exhibit A shall serve On-Site Consumer Load. Ellensburg shall ensure that a Consumer-Owned Resource does not exceed the On-Site Consumer Load such resource serves. If a Consumer-Owned Resource exceeds the On-Site Consumer Load, then BPA may adjust Ellensburg's Total Retail Load used to bill for energy purchases to ensure Ellensburg pays for energy that was otherwise displaced by the amount of generation of the Consumer-Owned

Resource that exceeds the On-Site Consumer Load on any hour. BPA shall determine in its sole discretion whether to make any adjustment based on information Ellensburg provides to BPA as follows:

- (1) Commensurate with Ellensburg's designation under section 3.6.2 above, Ellensburg shall provide BPA information demonstrating that the Consumer-Owned Resource's forecasted generation will not exceed the On-Site Consumer Load it is intended to serve on a monthly basis. Examples of such information include but are not limited to consumer load projections and monthly generation projections for the generating equipment to be installed.
- (2) If Ellensburg has not provided sufficient information, or if the Consumer-Owned Resource exceeds On-Site Consumer Load, then Ellensburg shall in accordance with section 15 and section 17.3 of this Agreement: (A) install metering on the On-Site Consumer Load, or (B) provide BPA hourly meter data of the On-Site Consumer Load on a monthly basis in a format specified by BPA.

Ellensburg shall provide notice to BPA of any significant changes to an On-Site Consumer Load amount as soon as practicable but no later than 60 calendar days after the change.

Ellensburg must ensure that the Consumer-Owned Resources do not cause negative flow through Ellensburg's Point of Delivery behind which the resource is located. If negative flow occurs, then BPA shall pass through and Ellensburg shall pay any costs assessed to BPA resulting from such flow.

3.6.4 Application of Consumer-Owned Resources Serving Load Other than On-Site Consumer Load

Ellensburg shall ensure that power generated from Consumer-Owned Resources listed in section 7.2 of Exhibit A, which serves load other than On-Site Consumer Load, is scheduled for delivery and: (1) sold to another utility in the Region to serve its Total Retail Load, (2) used by Ellensburg to serve its Total Retail Load (consistent with section 3.3), (3) marketed as an export, or (4) any combination of (1), (2), and (3) above.

3.6.5 Application of Consumer-Owned Resources Serving Both On-Site Consumer Load and Load Other than On-Site Consumer Load

If Ellensburg designates a Consumer-Owned Resource to serve both On-Site Consumer Load and load other than On-Site Consumer Load, then Ellensburg shall select either Option A or Option B below.

3.6.5.1 Option A: Maximum Consumer-Owned Resource Amounts Serving On-Site Consumer Load

If Ellensburg selects this Option A, then Ellensburg shall specify, in section 7.3 of Exhibit A, the maximum hourly amounts of an identified On-Site Consumer Load that are to be served with power generated by an identified Consumer-Owned Resource. Such amounts shall be specified as Diurnal megawatt amounts, by month, and shall apply in all years for the term of this Agreement. Such amounts are not subject to change in accordance with section 3.6.6.

On any hour that the On-Site Consumer Load is less than or equal to the specified maximum hourly amounts, all such On-Site Consumer Load shall be served by Ellensburg with the identified Consumer-Owned Resource or with power other than Firm Requirements Power. Any hourly amounts of the identified On-Site Consumer Load greater than the specified maximum hourly amounts will be served with Firm Requirements Power. Any power generated from the identified Consumer-Owned Resource greater than the specified maximum hourly amounts will be applied to load other than On-Site Consumer Load in accordance with section 3.6.4.

3.6.5.2 Option B: Maximum Firm Requirements Power Serving On-Site Consumer Load

If Ellensburg selects this Option B, then Ellensburg shall specify, in section 7.3 of Exhibit A, the maximum hourly amounts of an identified On-Site Consumer Load that are to be served with Firm Requirements Power. Such amounts shall be specified as Diurnal megawatt amounts, by month, and shall apply in all years for the term of this Agreement. Such amounts are not subject to change in accordance with section 3.6.6.

On any hour that On-Site Consumer Load is less or equal to the specified maximum hourly amounts, all such On-Site Consumer Load shall be served with Firm Requirements Power. Ellensburg shall serve any hourly amounts of the identified On-Site Consumer Load greater than the specified maximum hourly amounts with power generated by the identified Consumer-Owned Resource or with power other than Firm Requirements Power. Any power generated from the identified Consumer-Owned Resource greater than the amounts required to be used to serve the On-Site Consumer Load shall be applied to load other than On-Site Consumer Load in accordance with section 3.6.4.

3.6.6 Changes to Consumer-Owned Resources

Prior to each Fiscal Year Ellensburg shall notify BPA in writing of any changes in ownership, expected resource output, or other characteristic of Consumer-Owned Resources identified in section 7 of Exhibit A. If a Consumer-Owned Resource has permanently ceased operation and Ellensburg notifies BPA of such cessation, then BPA shall revise section 7 of Exhibit A to reflect such change as long as BPA agrees the determination is reasonable.

3.6.7 Application of Consumer-Owned Resources Serving a Planned NLSL or NLSL

If Ellensburg is serving a Planned NLSL or an NLSL with Consumer-Owned Resource amounts pursuant to section 20.3 and section 1 of Exhibit D, then BPA shall list such resources in section 7.4 of Exhibit A. Requirements for Ellensburg's application of Consumer-Owned Resources serving Planned NLSLs and NLSL are included in section 20.3 and section 1 of Exhibit D.

3.6.8 Data Requirements for Consumer-Owned Resources

Ellensburg shall meter all Consumer-Owned Resources listed in section 7 of Exhibit A and shall provide such meter data to BPA pursuant to section 17.3.

3.7 Hourly Dedicated Resource Schedule

By June 30 of each Rate Case Year, Ellensburg shall provide BPA an hourly schedule(s), in whole megawatt amounts consistent with section 3.7.3 and in the format described in section 3.7.2, for its Dedicated Resources with amounts in each hour, calculated pursuant to section 3.7.1, for each year of the upcoming Rate Period ("Submitted Schedule"). Ellensburg shall schedule such hourly amounts to its Total Retail Load consistent with section 13.

3.7.1 Schedule Amounts

The amounts in the Submitted Schedule shall equal the monthly and Diurnal amounts for each Dedicated Resource listed in the tables in sections 2 and 3 of Exhibit A except for those Specified Resources applied to Ellensburg's Tier 1 Allowance Amount, those Existing Resources that are Dispatchable Resources, and those Specified Resources supported with RSS. The hourly amounts in the Submitted Schedule shall be determined in accordance with section 3.4.4.

If the amounts in the Submitted Schedule change in accordance with section 3.5, then Ellensburg shall send BPA a revised Submitted Schedule including the updated amounts within five Business Days of such amounts being updated in Exhibit A.

3.7.2 Schedule Format

Ellensburg shall provide the Submitted Schedule to BPA electronically in a comma-separated-value (csv) format with the time/date stamp in

the first column and load amounts, with units of measurement specified, in the following column.

3.7.3 Whole Megawatt Amounts

If Ellensburg's Submitted Schedule would otherwise have amounts in fractional megawatts-per-hour, then Ellensburg shall vary its hourly amounts by one megawatt in some hours so that over the course of the applicable month the amounts as scheduled in whole megawatts sum to the appropriate total.

3.8 Transfer of Renewable Energy Certificates

BPA shall provide any applicable Renewable Energy Certificates (RECs), emission accounting information, and non-emitting generation accounting information to Ellensburg in accordance with Exhibit H.

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6. PUBLIC RATE DESIGN METHODOLOGY

6.1 The PRDM applies for the term of this Agreement. BPA shall apply the PRDM in accordance with its terms, which govern BPA's establishment, review and revision of Priority Firm Power (PF) rates pursuant to Section 7(i) of the Northwest Power Act for Firm Requirements Power sold under this Agreement.

6.2 The recitation of language from the PRDM in this Agreement does not incorporate such language into this Agreement. BPA may only revise the PRDM's language in accordance with the requirements of PRDM chapter 9. If BPA revises the language of the PRDM, then BPA will unilaterally amend this Agreement to accordingly modify any such language recited in this Agreement.

6.3 Any disputes over the meaning of the PRDM or rates, including whether BPA is adhering to its obligation under the PRDM to revise the PRDM only in accordance with the PRDM chapter 9, or whether the Administrator is correctly implementing the PRDM or rates, including but not limited to matters of whether the Administrator is correctly interpreting, applying, and otherwise adhering or conforming to the PRDM or rate, shall (1) be resolved pursuant to any applicable procedures set forth in the PRDM; (2) if resolved by the Administrator as part of a proceeding under Section 7(i) of the Northwest Power Act, be reviewable as part of the United States Court of Appeals for the Ninth Circuit's review under Section 9(e)(5) of the Northwest Power Act of the rates or rate matters determined in such Section 7(i) proceeding (after FERC final confirmation and approval, and subject to any further review by the United States Supreme Court); and (3) if resolved by the Administrator outside such a Section 7(i) Process and such decision is a final action, be reviewable by the United States Court of Appeals for the

Ninth Circuit under Section 9(e)(5) of the Northwest Power Act (subject to any further review by the United States Supreme Court). The remedies available to Ellensburg through such judicial review shall be Ellensburg's sole and exclusive remedy for such disputes.

6.4 BPA shall not publish a Federal Register Notice regarding BPA rates or the PRDM that prohibits, limits, or restricts Ellensburg's right to submit testimony or brief issues on rate matters regarding the meaning or implementation of the PRDM or establishment of BPA rates pursuant to the PRDM. For purposes of BPA's conformance to this paragraph, a "rate matter" shall not include budgetary and program level issues, or any other matter unrelated to the PRDM or the establishment of rates pursuant to the PRDM.

7. **CONTRACT HIGH WATER MARKS**

By September 30, 2026, BPA shall establish Ellensburg's CHWM in the FY 2026 CHWM Calculation Process and revise Exhibit B to state Ellensburg's CHWM. Once established, BPA may only adjust Ellensburg's CHWM as permitted pursuant to Exhibit B. After any adjustment, BPA shall revise Exhibit B to state Ellensburg's adjusted CHWM.

8. **APPLICABLE RATES**

Purchases under this Agreement are subject to the following rate schedules, or their successors: Priority Firm Power (PF), including Tier 1 Rates and Tier 2 Rates, New Resource Firm Power (NR), and Firm Power and Surplus Products and Services (FPS), as applicable. Billing determinants for any purchases will be included in each rate schedule. Power purchases and services sold under this Agreement are subject to the applicable rates and charges in BPA's Power Rate Schedules, established in accordance with the PRDM, as applicable, and its GRSPs (or their successors) established during a 7(i) Process. Ellensburg may incur additional charges as established in the applicable 7(i) Process, and as provided in the Power Rate Schedules and GRSPs, including the Unauthorized Increase Charge or its successors.

8.1 **Applicability of Tier 1 and Tier 2 Rates**

BPA shall establish PF rates that include rate schedules for purchase amounts at Tier 1 Rates and purchase amounts at Tier 2 Rates. Tier 1 Rates and Tier 2 Rates shall apply to Ellensburg's purchases as follows:

- (1) Tier 1 Rates shall apply to Firm Requirements Power that Ellensburg purchases under this Agreement, less: (A) amounts of Firm Requirements Power priced at Tier 2 Rates elected by Ellensburg in section 2 of Exhibit C, (B) amounts of Firm Requirements Power priced at the NR or other applicable 7(f) rate purchased for Planned NLSLs and NLSLs pursuant to Exhibit D, and (C) amounts of Firm Requirements Power priced at any other applicable 7(f) rate not limited to either (A) or (B).

- (2) Tier 2 Rates shall apply to such planned annual amounts of Firm Requirements Power that Ellensburg elects to purchase to serve its Above-CHWM Load, pursuant to Exhibit C, that remain after applying Ellensburg's New Resources.

9. ELECTIONS TO PURCHASE POWER PRICED AT TIER 2 RATES

9.1 Tier 2 Rate Alternatives

Subject to the requirements of this section 9 and Exhibit C, and pursuant to the PRDM, Ellensburg shall have the right to purchase Firm Requirements Power at a Tier 2 Long-Term Rate, Tier 2 Short-Term Rate, and Tier 2 Vintage Rate.

9.2 Above-CHWM Load Service Options and Tier 2 Rate Elections

BPA shall calculate Ellensburg's Above-CHWM Load in the Above-CHWM Load Process ahead of each Rate Period.

Ellensburg has the option to serve its Above-CHWM Load with: (1) Firm Requirements Power purchased from BPA at a Tier 2 Rate or rates, (2) Dedicated Resources, or (3) a specific combination of both (1) and (2).

Within 60 calendar days after BPA publishes, to its publicly available website, Ellensburg's final CHWMs from the FY 2026 CHWM Calculation Process, Ellensburg shall determine and provide written notice to BPA of its Above-CHWM Load service election, including its election to purchase Firm Requirements Power at Tier 2 Rates, consistent with section 2.1 of Exhibit C.

BPA shall update Exhibit C to state Ellensburg's Tier 2 Rate purchase elections and the amount of its purchase obligation of Firm Requirements Power at Tier 2 Rates.

9.3 Amounts of Tier 2 Flat Across All Hours

Amounts of Firm Requirements Power sold by BPA at Tier 2 Rates and purchased by Ellensburg shall be equal in all hours of the year.

10. TIER 2 REMARKETING AND RESOURCE REMOVAL

Under this section 10, Ellensburg does not have temporary resource removal or remarketing rights for its Dedicated Resources in Exhibit A added pursuant to section 3.5.4 or section 3.5.8 of the Agreement. In addition, under this section 10, Ellensburg does not have temporary resource removal or remarketing rights for any Dedicated Resource amounts or amounts of Firm Requirements Power purchased at Tier 2 Rates that would otherwise be eligible for removal or remarketing due to the addition of resources under section 3.5.4. Any BPA remarketing of Tier 2 Vintage Rate purchase obligation amounts under this section 10 is subject to section 2.5.6 of Exhibit C.

10.1 **New Resource Removal and Remarketing of Tier 2 Rate Purchase Obligation Amounts for Each Rate Period**

If Ellensburg's Above-CHWM Load as forecasted for each Fiscal Year of an upcoming Rate Period is less than the sum of: (1) Ellensburg's New Resource amounts serving its Above-CHWM Load, as stated in Exhibit A, and (2) Tier 2 Rate purchase obligation amounts, as stated in Exhibit C, then, except as permitted in sections 10.1.3 and 10.1.4 below and in the following order:

- (1) Ellensburg shall temporarily remove its eligible New Resource amounts, and
- (2) BPA shall remarket Ellensburg's Tier 2 Rate purchase obligation amounts.

Any removal of eligible New Resource amounts or remarketing of Tier 2 Rate purchase obligation amounts shall apply until either: (1) the removed New Resource amounts plus the remarketed Tier 2 Rate purchase obligation amounts equal the amount by which Ellensburg's New Resource amounts plus its Tier 2 Rate purchase obligation amounts exceed its Above-CHWM Load, or (2) all of Ellensburg's New Resources are removed and all of its Tier 2 Rate purchase obligation amounts are remarketed.

10.1.1 If Ellensburg has more than one New Resource, then by October 31 of each Rate Case Year, Ellensburg shall notify BPA of the order and associated amounts of Ellensburg's New Resources that Ellensburg shall remove for each Fiscal Year in the upcoming Rate Period to the extent necessary to comply with this section 10.1.

10.1.2 If Ellensburg fails to notify BPA in accordance with section 10.1.1, then BPA shall determine the order and associated amounts of Ellensburg's New Resource removal for each Fiscal Year in the upcoming Rate Period to comply with section 10.1.

10.1.3 If compliance with the requirements of section 10.1 would cause Ellensburg to remove part or all of any New Resource amounts that Ellensburg uses to fulfill a state or federal renewable resource standard or other comparable legal obligation, then by October 31 of each Rate Case Year Ellensburg may request for BPA to remarket the same amount of Tier 2 Rate purchase obligation amounts until all of Ellensburg's Tier 2 Rate purchase obligation amounts are remarketed. Following such remarketing, Ellensburg may either temporarily remove New Resources applied to the Tier 1 Allowance Amount or Existing Resources to the extent necessary to comply with section 10.1, provided that the hourly, monthly, and Diurnal amounts removed shall be equal to the hourly, monthly, and Diurnal amounts provided by the New Resources that Ellensburg would have otherwise been obligated to remove.

10.1.4 If: (1) Ellensburg made an election under section 2.1(3) or section 2.1(4) of Exhibit C to serve all or a portion of its Above-CHWM Load using the flexible option, (2) Ellensburg has both New Resource amounts and Tier 2 Vintage Rate purchase obligation amounts for serving such Above-CHWM Load, and (3) compliance with the requirements of section 10.1 would cause Ellensburg to remove part or all of its New Resource amounts, then Ellensburg may request for BPA to first remarket the Tier 2 Vintage Rate purchase obligation amounts until all of Ellensburg's Tier 2 Vintage Rate purchase obligation amounts are remarketed before removing any New Resource amounts.

10.2 Partial Resource Removal

When only a portion of an eligible Dedicated Resource is removed pursuant to section 10.1 above, such resources shall be removed proportionally to maintain the same annual shape for the resource as established in Exhibit A.

10.3 Responsibilities for Remarketing Tier 2 Rate Purchase Obligation Amounts and Disposition of Dedicated Resource

Ellensburg shall be subject to applicable charges or credits, as established in a 7(i) Process, associated with BPA's remarketing of Tier 2 Rate purchase obligation amounts of Firm Requirements Power.

Except as specified in section 10.4 below, Ellensburg shall be responsible for the disposition of any amounts of its Dedicated Resources, whether Specified Resources or Committed Power Purchase Amounts that are removed or reduced pursuant to this Agreement.

10.4 Removal of Resources Taking RSS

If Ellensburg purchases RSS for any New Resources that are partially or entirely removed pursuant to sections 10.1 or 10.2 above, then the following shall apply:

10.4.1 Ellensburg shall continue to supply the entire amount of any such resources consistent with applicable provisions stated in Exhibit J.

10.4.2 BPA shall remarket the amounts of any such resources that are removed pursuant to section 10.1 in the same manner BPA remarkets Tier 2 Rate purchase obligation amounts in section 10.3. BPA shall revise Exhibit A to identify the amounts of any such resources that are removed. BPA shall continue to provide RSS in accordance with applicable provisions in Exhibit J to any amounts of such resources that remain in Exhibit A after resource removal.

11. RIGHT TO CHANGE PURCHASE OBLIGATION

11.1 One-Time Right to Change Purchase Obligation

Under this Agreement Ellensburg shall have a one-time right to request a change in its purchase obligation, identified in section 3, to another purchase

obligation available from BPA, including Annual Flat Block, Diurnally Shaped Monthly Block, Flat Monthly Block, Flat Monthly Block with 10 Percent Shaping Capacity, Flat Monthly Block with Peak Net Requirement (PNR) Shaping Capacity, Flat Monthly Block with Peak Net Requirement (PNR) Shaping Capacity with Peak Load Variance Service (PLVS), or Slice/Block, if available.

Unless otherwise agreed by the Parties, any Ellensburg Above-CHWM Load service elections, Dedicated Resource additions, and other elections made under this Agreement prior to the notice made under section 11.2 shall continue to be applicable under the new purchase obligation, provided that BPA may update such terms and conditions consistent with the then-current terms of the new purchase obligation, and additional costs may apply for service under Ellensburg's new purchase obligation as described in section 11.6.

11.2 Notice and Conditions to Change Purchase Obligation and to Join a JOE

Written notices sent under this section 11.2 must comply with section 1 of Exhibit I. The following sections 11.2.2, 11.2.3 and 11.2.4 shall be in accordance with Section 5(b)(7) of the Northwest Power Act.

11.2.1 Notice of Change to Purchase Obligation

No sooner than October 1, 2028, Ellensburg may provide written notice to BPA to request a change to its purchase obligation pursuant to section 11.1 above. Such notice to BPA must be at least three years prior to the start of the Rate Period the purchase obligation change would be effective. Ellensburg's notice shall state: (1) the purchase obligation request, and (2) the Rate Period Ellensburg requests the change to be effective. The latest date that Ellensburg may provide notice to request a change to its purchase obligation is September 30, 2037 for a purchase obligation change effective on October 1, 2040.

11.2.2. Joining a JOE For Service Effective October 1, 2028

If Ellensburg requests to join a JOE for service under the JOE's CHWM Contract effective October 1, 2028, then Ellensburg's written notice to BPA to request to assign its contract to the JOE must be received no later than June 30, 2027, regardless of Ellensburg's and the JOE's purchase obligations. Receiving service under the JOE CHWM Contract will not constitute a change to Ellensburg's purchase obligation under this section 11.

11.2.3. If Customer and JOE Have Same Purchase Obligation

After June 30, 2027, if the BPA-JOE CHWM Contract and Ellensburg have the same purchase obligation when Ellensburg requests to join the JOE, then Ellensburg's written notice to BPA to request to assign its contract to the JOE must be received no later than June 30 of a Forecast Year for power sales under the BPA-JOE CHWM Contract to begin at the start of the following Rate Period.

11.2.4 If Customer and JOE Have Different Purchase Obligations

After June 30, 2027, if the BPA-JOE CHWM Contract and Ellensburg have different purchase obligations, including different Block purchase obligations, when Ellensburg requests to join the JOE, then Ellensburg's written notice to BPA to request to assign its contract to the JOE must be received no later than three years prior to when power sales under the BPA-JOE CHWM Contract will begin at the start of the subsequent Rate Period.

11.3 Limitations Due to Total Monthly Peak Load Increase

After receiving Ellensburg's notice under section 11.2, BPA shall evaluate the impact of Ellensburg's request on BPA's forecast of its total monthly peak load obligation relative to BPA's most recent forecast of its total monthly Qualified Capacity Contribution (QCC) values, or successor capacity requirements as determined by BPA, for the first Fiscal Year the purchase obligation change would become effective. As part of such evaluation BPA will assess the change to monthly QCC made by (1) a change to Ellensburg's purchase obligation, and (2) the peak amounts of Ellensburg's Dedicated Resource(s) as stated in Exhibit A.

If after its evaluation BPA determines that Ellensburg's request to change its purchase obligation would increase BPA's total monthly peak load obligation relative to BPA's change in QCC forecast in any one month, then BPA may:

- (1) approve Ellensburg's request and directly assign any costs as stated in section 11.6 below; or
- (2) approve Ellensburg's request without directly assigning such costs; or
- (3) deny Ellensburg's request to change its purchase obligation.

If BPA receives multiple requests from customers to change their purchase obligations and such changes would be effective at the beginning of the same Rate Period, then BPA shall evaluate the impact of Ellensburg's purchase obligation request together with all requesting customers' to assess the aggregate impact of all such purchase obligation change requests. If BPA determines that such requests would increase BPA's total monthly peak load obligation, in relationship to the change in BPA's QCC forecast in any one month, then in addition to options (1), (2), or (3) above, BPA may:

- (4) approve Ellensburg's request but defer the date on which Ellensburg's new purchase obligation change would become effective to the start of a subsequent Rate Period.

If BPA determines after its evaluation that the purchase obligation change(s) would not increase BPA's total monthly peak load obligation, in relationship to the change in BPA's QCC forecast, then BPA may approve Ellensburg's request to change its purchase obligation.

BPA will not withhold its approval of Ellensburg's request except under reasonable circumstances, including but not limited to securing the transmission and metering sufficient to deliver the applicable product.

BPA shall provide customers with an opportunity to comment on any customer's request to change its purchase obligation.

11.4 Restrictions

If, during the term of this Agreement, all customer purchases of the Slice/Block Product become reduced to zero percent, then BPA will retire the Slice/Block Product as a purchase obligation option under this Agreement. After such retirement, Ellensburg's right to change its purchase obligation will be limited to the Load Following or Block options as outlined in sections 3.1 and 11.1.

11.5 Changes to Block Purchase Obligation

If Ellensburg requests and BPA completes a change from one Block purchase obligation to a different Block purchase obligation as outlined in section 1 of Exhibit C, then Ellensburg will have exercised their one-time right to change its purchase obligation as stated above in section 11.1.

11.6 Charges to Change Purchase Obligation

In addition to the limitations established in sections 11.1, 11.2 and 11.3 above, (1) Ellensburg shall be responsible for fulfilling all rights, obligations, and liabilities associated with its prior purchase obligation, and (2) Ellensburg may be subject to charges, in addition to the rates for the new service, as a result of changing its purchase obligation. Such additional charges shall recover all additional costs that: (1) will be incurred by BPA to serve Ellensburg under its new purchase obligation compared to its existing purchase obligation, and (2) would otherwise result in a rate impact on all other customers receiving service under a CHWM Contract. If Ellensburg makes a request to change its purchase obligation, then BPA shall notify Ellensburg of any such additional charges. BPA shall not be required to make a payment to Ellensburg as a result of Ellensburg changing its purchase obligation.

11.7 Change Confirmation

Within 30 calendar days of BPA's presentation to Ellensburg of the additional charges determined in section 11.6, and Ellensburg's maximum Slice Percentage calculated pursuant to section 11.9, if applicable, Ellensburg shall provide BPA with written notice whether it will proceed with its request to change its purchase obligation.

11.8 Amendment to Reflect New Purchase Obligation

Following Ellensburg's confirmation of its decision to change its purchase obligation, the Parties shall amend this Agreement to replace the terms of Ellensburg's current purchase obligation with the terms of the new purchase obligation.

11.9 Available Slice Product and Slice Percentage

The total Firm Slice Amount BPA offers to all customers purchasing the Slice/Block Product shall not exceed 25 percent of the sum of CHWMs established in the FY 2026 CHWM Process. If Ellensburg requests to change to the Slice/Block Product, then BPA shall calculate Ellensburg's amount of available Slice Product for changes to the Slice/Block Product as follows:

- (1) BPA shall calculate the total amount of available Slice Product in Average Megawatts for purchase by all customers requesting a change to the Slice/Block Product by subtracting (A) the sum of Slice Customers' CHWMs multiplied by 50 percent, from (B) 25 percent of the sum of initial CHWMs established in the FY 2026 CHWM Process.

Expressed as a formula:

$$\text{Available Slice Product} = (25\% (\text{sum of initial FY 2026 CHWMs})) - (50\% (\text{Slice Customers' CHMW}))$$

BPA shall compare the amount of available Slice Product to 50 percent of the sum of initial CHWMs for all customers requesting a change to the Slice/Block Product to determine the maximum Slice Percentage BPA shall offer to Ellensburg.

- (2) If the available Slice Product calculated pursuant to section 11.9(1) above is equal to or exceeds 50 percent of the sum of CHWMs for all customers requesting a change to Slice/Block Product, then BPA shall not limit the request.

BPA shall notify Ellensburg of the available amounts of Slice Product available in accordance with section 11.7. Ellensburg shall provide a change confirmation to BPA pursuant to section 11.7. Ellensburg's Slice Percentage in each Fiscal Year shall be calculated pursuant to section 5.3.

- (3) If the available Slice Product calculated pursuant to section 11.9(1) is less than 50 percent of the sum of CHWMs for all customers requesting a change to the Slice/Block Product, then BPA shall limit the maximum Slice Percentage of those customers requesting a change to Slice/Block Product on a pro rata basis.

BPA shall notify Ellensburg of the amounts of Slice Product and Ellensburg shall provide BPA with a change confirmation pursuant to section 11.7. Ellensburg's Slice Percentage in each Fiscal Year shall be calculated pursuant to section 5.3.

If the amount of available Slice Product increases in the future, then BPA, in its sole discretion, may offer Slice Customers with a maximum Slice Percentage that was reduced under section 11.9(3) to

less than 50 percent of its CHWM, a pro rata adjustment to increase the maximum Slice Percentage, not to exceed 50 percent of its CHWM.

If BPA determines it will offer an increase under this section 11.9(3), then BPA shall notify such Slice Customers of a potential increase to available Slice Product within 30 calendar days of BPA's receipt of a customer notice pursuant to section 11.2. BPA shall notify such Slice Customers of an actual increase to available Slice Product within 30 calendar days of BPA's receipt of change confirmation, confirming a customer request to leave the Slice/Block Product, that increases available Slice Product pursuant to section 11.7. BPA will identify the Rate Period in which the maximum Slice Percentage will be effective following BPAs receipt of a change confirmation.

BPA may offer the pro rata increase to such Slice Customers without consideration of the effective date of the respective Slice Customer purchase obligation changes to the Slice/Block Product.

12. BILLING CREDITS AND RESIDENTIAL EXCHANGE

12.1 Billing Credits

If Ellensburg develops a Generating Resource or engages in conservation activities independently undertaken to serve its loads, then Ellensburg agrees that it shall forego any request for, and BPA is not obligated to include, billing credits, as defined in Section 6(h) of the Northwest Power Act, on Ellensburg's bills under this Agreement. This section does not apply to any billing credit contracts in effect as of the Effective Date.

12.2 Residential Exchange

During the term of this Agreement, Ellensburg agrees it will not seek and shall not receive residential exchange benefits pursuant to Section 5(c) of the Northwest Power Act. Ellensburg's agreement in this section 12.2 is a material precondition to BPA offering and executing this Agreement.

13. SCHEDULING

Over the term of this Agreement, Ellensburg may be required to purchase or may have the option to purchase Transmission Scheduling Service from Power Services in accordance with Exhibit F. If Ellensburg is required or elects to purchase Transmission Scheduling Service from Power Services, then Ellensburg shall comply with the scheduling requirements described in Exhibit F, Transmission Scheduling Service. If Ellensburg is not purchasing Transmission Scheduling Service from Power Services, then Ellensburg shall comply with the scheduling requirements described in Exhibit F, Scheduling.

14. DELIVERY

14.1 Definitions

14.1.1 “Primary Points of Receipt” means the points on the Region’s transmission system where Firm Requirements Power is forecasted to be made available by Power Services to Ellensburg for purposes of obtaining a long-term firm transmission contract.

14.1.2 “Scheduling Points of Receipt” means the points on the Region’s transmission system where Firm Requirements Power is made available by Power Services to Ellensburg for purposes of acquiring transmission service and transmission scheduling.

14.2 Transmission Service

14.2.1 Ellensburg is responsible for acquiring transmission service to deliver power from the Scheduling Points of Receipt.

14.2.2 Ellensburg shall provide at least 180 days’ notice to Power Services prior to changing Balancing Authority Areas.

14.2.3 At Ellensburg’s request, Power Services shall provide Ellensburg with Primary Points of Receipt and other information needed to enable Ellensburg to acquire long-term firm transmission for delivery of power sold under this Agreement. If required by a transmission provider for purposes of transmission scheduling, then Power Services shall provide Ellensburg with Scheduling Points of Receipt. Power Services has the right to provide power to Ellensburg at Scheduling Points of Receipt that are different than the Primary Points of Receipt. If BPA does provide power to Ellensburg at Scheduling Points of Receipt that are different than the Primary Points of Receipt, then BPA shall reimburse Ellensburg for any incremental, direct, non-administrative costs incurred by Ellensburg to comply with delivering Firm Requirements Power from such Scheduling Points of Receipt to Ellensburg’s load if the following conditions, as outlined in (1) or (2) below, have been met:

- (1) If Ellensburg has long-term Point to Point (PTP) Transmission Service (as defined in BPA’s Open Access Transmission Tariff or its successor) for delivery of Firm Requirements Power to its load:
 - (A) Ellensburg has requested long-term firm transmission service to deliver its Firm Requirements Power using the Primary Points of Receipt and other information provided by Power Services; and

- (B) Ellensburg has submitted a request to redirect its long-term firm PTP Transmission Service to deliver Firm Requirements Power and Surplus Firm Power from the Scheduling Point of Receipt on a firm basis, but that request was not granted; and
 - (C) Ellensburg's transmission schedule was curtailed due to non-firm status under PTP Transmission Service or Ellensburg can provide proof of the reimbursable costs incurred to replace the curtailed schedule.
- (2) If Ellensburg has long-term Network Integration Transmission Service (as defined in BPA's Open Access Transmission Tariff or its successor) for delivery of Firm Requirements Power to its load:
- (A) Ellensburg has requested long-term firm transmission service to deliver its Firm Requirements Power using the Primary Points of Receipt and other information provided by Power Services; and
 - (B) Ellensburg's transmission schedule was curtailed due to non-firm status under its secondary service status and Ellensburg can provide proof of the reimbursable costs incurred to replace the curtailed schedule.

14.3 Liability for Delivery

Ellensburg waives any claims against BPA arising under this Agreement for non-delivery of power to any points beyond the applicable Scheduling Points of Receipt, except for reimbursement of costs as described in section 14.2.3. BPA shall not be liable under this Agreement for any third-party claims related to the delivery of power after it leaves the Scheduling Points of Receipt. Neither Party shall be liable under this Agreement to the other Party for damage that results from any sudden, unexpected, changed, or abnormal electrical condition occurring in or on any electric system, regardless of ownership. These limitations on liability apply regardless of whether or not this Agreement provides for Transfer Service.

14.4 Real Power Losses

BPA is responsible for the real power losses necessary to deliver Firm Requirements Power and Surplus Firm Power to Ellensburg's PODs listed in Exhibit E.

14.5 Metering Losses

BPA shall adjust measured amounts of power to account for metering losses, if any, that occur between Ellensburg's PODs and the respective POMs, as specified in Exhibit E.

15. METERING

15.1 Measurement

By September 30, 2027, the Parties shall ensure that meters are installed on all PODs listed in Exhibit E, consistent with the requirements of this section 15. Unless otherwise stated in Exhibit E, the amount of power measured by such meters shall be used by BPA for billing purposes. If the Parties agree that metering is economically or technologically impractical, then:

- (1) the Parties shall use scheduled amounts to measure the amount of power purchased if such power is scheduled into or out of Ellensburg's service territory; or
- (2) the Parties shall use mutually acceptable load profiles to measure the amount of power purchased if such power is not scheduled; or
- (3) the Parties shall use meter data provided by Ellensburg to BPA in a mutually agreed manner to measure the amount of power purchased.

If the metering equipment associated with the meters listed in Exhibit E fails to properly measure or record the interval readings, then BPA shall follow the Metering Usage Data Estimation Provision of BPA's applicable Power Rate Schedules and GRSPs to determine the appropriate billing adjustment.

The rights to locate meters and access facilities granted to BPA pursuant to this section 15 are subject to the terms of any applicable agreement between Ellensburg and Transmission Services addressing the location, cost responsibility, access, maintenance, testing, and liability of the Parties with respect to meters.

15.2 BPA Owned Meters

At BPA's expense, BPA shall operate, maintain, and replace, as necessary, all metering equipment owned by BPA that is needed to plan, schedule, and bill for Ellensburg's power needs under this Agreement consistent with Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA. Ellensburg authorizes BPA to maintain and replace any BPA owned metering equipment on Ellensburg's facilities that is reasonably necessary to forecast, plan, schedule, and bill for power. With reasonable notice from BPA, and for the purpose of implementing this provision, Ellensburg shall grant BPA reasonable physical access to BPA owned meters at BPA's request, consistent with Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA.

If, at any time, either Party determines that a BPA owned meter is defective or inaccurate, then BPA shall adjust, repair, or replace the meter to provide accurate metering as soon as practical consistent with Ellensburg's Network

Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA. Ellensburg shall have the right to witness any meter tests conducted by BPA on BPA owned meters listed in Exhibit E. The exercise of such right shall be conducted consistent with the applicable requirements, if any, of Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA.

15.3 Non-BPA Owned Meters

15.3.1 Non-BPA Owned Meters Owned by Ellensburg

At Ellensburg's expense, Ellensburg shall operate, maintain, and replace, as necessary, all non-BPA metering equipment owned by Ellensburg that is needed by BPA to forecast, plan, schedule, and bill for power for:

- (1) points of interconnection between Ellensburg's system and parties other than BPA;
- (2) all loads that require separate measurement for purposes of forecasting, planning, scheduling, or billing for power; and
- (3) Generating Resources and Energy Storage Devices listed in Exhibit A and Exhibit J, respectively that are interconnected to Ellensburg's system.

For the purpose of inspection, Ellensburg shall grant BPA reasonable physical access to Ellensburg meters at BPA's request, consistent with Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA.

If, at any time, BPA or Ellensburg determines that a Ellensburg owned meter listed in Exhibit E is defective or inaccurate, then Ellensburg shall adjust, repair, or replace the meter, or shall make commercially reasonable efforts to arrange for the completion of such actions, to provide accurate metering as soon as practical. BPA shall have the right to witness any meter tests conducted by Ellensburg on Ellensburg owned meters listed in Exhibit E. The exercise of such right shall be conducted consistent with the applicable requirements, if any, of Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA.

15.3.2 Non-BPA Owned Meters Not Owned by Ellensburg

For non-BPA owned meters not owned by Ellensburg, and excluding such in section 15.3.3 below, needed by BPA to forecast, plan, schedule and bill for power under this Agreement, Ellensburg shall make commercially reasonable efforts to arrange with the owner(s) of such

meters for the meters to be operated, maintained and replaced, as necessary, for the measurements described above in sections 15.3.1(1) and 15.3.1(2) and for any Generating Resources listed in Exhibit A and Energy Storage Devices listed in Exhibit J that require metering.

If, at any time, it is determined that a non-BPA owned meter not owned by Ellensburg listed in Exhibit E is defective or inaccurate, then Ellensburg shall make commercially reasonable efforts to arrange with the owner of the meter to adjust, repair, or replace the meter, to provide accurate metering as soon as practical. To the extent possible, BPA may witness any meter tests on non-BPA owned meters not owned by Ellensburg listed in Exhibit E, consistent with Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA as well as any applicable agreements Ellensburg may have with the owner of the meter.

15.3.3 Non-BPA Owned Meters Owned by a Third-Party Transmission Provider

For non-BPA owned meters owned by a Third-Party Transmission Provider for which BPA holds a transmission contract for service to Ellensburg load, the metering arrangements shall be between BPA and the Third-Party Transmission Provider.

15.4 New Meters

A separate agreement addressing the location, cost responsibility, access, maintenance, testing, and liability of the Parties with respect to new meters shall be between Ellensburg and Transmission Services.

All new and replaced meters installed by either Party shall meet the American National Standard Institute standards and the Requirements for Instrument Transformers, or their replacement as specified in BPA's applicable metering procedures and requirements posted to BPA's publicly accessible metering services website as of the date of installation.

15.5 Metering an NLSL

In addition to the provisions contained in this section 15, any loads that are monitored by BPA for an NLSL determination and any NLSLs shall be metered pursuant to section 20.3.3.

15.6 Metering Exhibit

The Parties shall provide meter data to one another as specified in section 17.3. BPA shall list Ellensburg's PODs, POMs, Interchange Points, as applicable, and related information in Exhibit E.

16. BILLING AND PAYMENT

16.1 Billing

BPA shall electronically bill Ellensburg monthly for all products and services, including any charges and credits incurred, provided during the preceding month(s). However, if electronic transmittal of the bill is not possible, then BPA shall mail a physical copy of the bill to Ellensburg. BPA may send Ellensburg an estimated bill prior to a final bill and may send subsequent revisions if needed. The Issue Date is the date BPA sends the bill to Ellensburg.

16.2 Payment

Ellensburg shall pay all bills electronically in accordance with instructions on the bill. Payment of all bills, whether estimated or final, must be received by the 20th day after the Issue Date of the bill (Due Date). If the 20th day is a Saturday, Sunday, or federal holiday, then the Due Date is the next Business Day.

If Ellensburg has made payment on an estimated bill then:

- (1) if the amount of the final bill exceeds the amount of the estimated bill, then Ellensburg shall pay BPA the difference between the estimated bill and final bill by the final bill's Due Date; or
- (2) if the amount of the final bill is less than the amount of the estimated bill, then BPA shall pay Ellensburg the difference between the estimated bill and final bill by the 20th day after the final bill's Issue Date. If the 20th day is a Saturday, Sunday, or federal holiday, BPA shall pay the difference by the next Business Day.

16.3 Late Payments

If Ellensburg has not paid its bill in full by the Due Date, BPA shall apply a daily interest charge to any unpaid balance equal to the higher of:

- (1) the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue published during the month in which payment was due) plus four percent, divided by 365; or
- (2) the Prime Rate times 1.5, divided by 365.

16.4 Failure to Pay

If Ellensburg has not paid its bill in full by the Due Date, then BPA shall notify Ellensburg of nonpayment. Ellensburg shall have 45 calendar days after receipt of the written notice to cure its nonpayment by making payment in full. If Ellensburg does not provide full payment within the 45-day cure period, then BPA shall send an additional written notice of nonpayment to Ellensburg. Ellensburg shall then have three Business Days after receipt of the additional written notice to provide payment. If Ellensburg has not provided payment within three Business Days after receipt of the additional

written notice and BPA determines in its sole discretion that Ellensburg is unable to make the payments owed, then BPA may terminate this Agreement pursuant to section 23. Written notices sent under this section 16.4 must comply with section 1 of Exhibit I.

16.5 Disputed Bills

16.5.1 If Ellensburg disputes any portion of a charge or credit on Ellensburg's estimated or final bills, Ellensburg shall provide written notice to BPA with a copy of the bill noting the disputed amounts. Notwithstanding whether any portion of the bill is in dispute, Ellensburg shall pay the entire bill by the Due Date. This section 16.5.1 does not allow Ellensburg to challenge the validity of any BPA rate.

16.5.2 Unpaid amounts on a bill (including both disputed and undisputed amounts) are subject to the late payment charges provided above. Notice of a disputed charge on a bill does not constitute BPA's agreement that a valid claim under contract law has been stated.

16.5.3 If the Parties agree, or if after a final determination of a dispute pursuant to section 19, Ellensburg is entitled to a refund of any portion of the disputed amount, then BPA shall make such refund with simple interest computed from the date of receipt of the disputed payment to the date the refund is made. The daily interest rate shall equal the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue published during the month in which payment was due) divided by 365.

17. INFORMATION EXCHANGE AND CONFIDENTIALITY

17.1 General Requirements

Upon request, each Party shall provide the other Party any information that is necessary to administer this Agreement and to forecast Ellensburg's Total Retail Load, forecast BPA system load, comply with North American Electric Reliability Corporation (NERC) reliability standards, prepare bills, resolve billing disputes, administer Transfer Service, forecast and monitor large loads and NLSLs, and otherwise implement this Agreement. For example, this obligation includes, but is not limited to: (1) load and resource data relating to large loads and NLSLs; (2) transmission and power scheduling information; (3) load and resource metering information (such as customer system one-line and metering diagrams, loss factors, historical hourly load and resource data, etc.); and, (4) Energy Storage Device data.

In addition, Ellensburg shall provide information BPA requests about Dedicated Resources and Consumer-Owned Resources serving On-Site Consumer Load for purposes of meeting: (1) BPA's statutory obligations under Section 7(b) of the Northwest Power Act and (2) regional resource adequacy programs and market participation.

The Parties shall make best efforts to provide information requested under this section 17.1 within the reasonable time frames specified in the requests. If Ellensburg fails to provide BPA with information Ellensburg is required to provide pursuant to this Agreement and the absence of such information makes it impossible for BPA to perform a calculation, make a determination, or take an action required under this Agreement, then BPA may suspend its obligation to perform such calculation, make such determination, or take such action until Ellensburg has provided such information to BPA.

17.2 Reports

17.2.1 Within 30 calendar days after final approval of Ellensburg's annual financial report and statements by Ellensburg's authorized officer, Ellensburg shall either e-mail them to BPA at kslf@bpa.gov or, if any of the information is publicly available, then Ellensburg shall notify BPA of its availability.

17.2.2 Within 30 calendar days after its submittal to the Energy Information Administration (EIA), or its successor, Ellensburg shall e-mail a copy of its Annual Form EIA-861 Reports to BPA at kslf@bpa.gov. If Ellensburg is not required to submit such reports to the EIA, then this requirement does not apply.

17.2.3 By November 30, 2028, and by November 30 each year thereafter, Ellensburg shall provide to the Pacific Northwest Utilities Conference Committee (PNUCC), or its successor, forecasted loads, Energy Storage Devices, and resources data to facilitate a region-wide assessment of loads and resources in a format, length of time, and level of detail specified in PNUCC's Northwest Regional Forecast Data Request.

After consultation with the Northwest Power and Conservation Council's (Council) Resource Adequacy Advisory Committee, or a successor, BPA may require Ellensburg to submit additional data to Council that BPA determines is necessary for the Council to perform a regional resource adequacy assessment.

The requirements of this section 17.2.3 are waived if Ellensburg:
(1) purchases all the power to serve its Total Retail Load from BPA and
(2) uses no Energy Storage Device(s) to serve its Total Retail Load.

Notwithstanding the above, in no event shall Ellensburg be obligated under this section 17.2.3 to provide PNUCC or the Council an unaggregated load forecast or other unaggregated data that is specific to an individual end-use consumer or potential end-use consumer of Ellensburg, including no obligation to provide the identities of such end-use consumers.

Ellensburg may require PNUCC or Council to execute a commercially reasonable non-disclosure agreement consistent with the terms of section 17.6 before providing such entities the data and information required pursuant to this section 17.2.3, as applicable.

17.2.4 If Ellensburg is required by applicable law, their transmission provider, or directive (i.e. utility board resolution) to prepare and publish long-term integrated resource plans or resource forecasts, then Power Services may request and Ellensburg shall provide Power Services with updated copies of such.

17.3 Meter Data

17.3.1 In accordance with section 15 and Exhibit E, the Parties shall notify each other of any changes to PODs, POMs, Interchange Points and related information for which each Party is responsible. Ellensburg shall ensure BPA has access to all data from load, Energy Storage Device, and resource meters that BPA determines are necessary to administer this Agreement including to forecast, plan, schedule, and bill under this Agreement. Access to these data shall be on a schedule agreed to by the Parties. Meter data include, but are not limited to: Ellensburg's actual amounts of energy used, expended, or stored for loads, resources, and Energy Storage Devices, and the physical attributes of Ellensburg's meters.

BPA shall provide Ellensburg access to and Ellensburg may view meter data from the meters listed in Exhibit E with an active Customer Portal agreement, or its successor.

17.3.2 Ellensburg consents to allow Power Services to receive the following information from Transmission Services and BPA's metering function: (1) Ellensburg's meter data, as specified in section 17.3.1, section 15, and Exhibit E, and (2) notification of outages or load shifts.

17.3.3 When the following events are planned to occur on Ellensburg's system that will affect the load measured by the meters listed in Exhibit E:

- (1) installation of a new meter,
- (2) changes or updates to an existing meter not owned by BPA,
- (3) any planned line or planned meter outages, and
- (4) any planned load shifts from one POD to another,

then Ellensburg shall provide BPA with advance notice by e-mailing BPA at mdm@bpa.gov and the contacts shown in section 1 of Exhibit I.

Ellensburg shall follow all applicable metering procedures and requirements posted to BPA's publicly accessible metering services website. Such requirements include, but are not limited to, specifying the number of required advanced days' notice for the events listed above.

This section 17.3.3 is not intended to apply to retail meters not listed in Exhibit E.

17.3.4 If an unplanned load shift or outage occurs, materially affecting the load measured by the meters listed in Exhibit E, then Ellensburg shall e-mail BPA at: (1) mdm@bpa.gov, and (2) the contacts shown in section 1 of Exhibit I within 72 hours after the event.

17.4 Data for Determining CHWM

Upon request, Ellensburg shall provide to BPA any load and resource information that BPA determines is reasonably necessary to calculate Ellensburg's CHWM. This may include historical load data not otherwise available to BPA and other data necessary to allow BPA to adjust for weather normalization.

17.5 Total Retail Load Forecast

By December 31, 2026, and by each December 31 of each Forecast Year, the Parties shall work together to determine and establish a forecast of Ellensburg's monthly energy and Ellensburg's system coincidental peak of Ellensburg's Total Retail Load for the upcoming ten Fiscal Years.

17.6 Transparency of Net Requirements Process

By July 31, 2028, and by July 31 of each Rate Case Year thereafter, BPA shall make the following information publicly available to Ellensburg and all other BPA regional utility customers with a CHWM:

- (1) Ellensburg's measured Total Retail Load data for the previous two Fiscal Years in monthly energy amounts and monthly customer-system peak amounts, and
- (2) Ellensburg's Dedicated Resources for the previous two Fiscal Years in monthly energy and peak amounts as listed in section 5 of Exhibit A.

Ellensburg waives all claims of confidentiality regarding the data described above.

17.7 Confidentiality

Before Ellensburg provides information to BPA that is confidential, or is otherwise subject to a privilege or nondisclosure, Ellensburg shall clearly designate such information as confidential. BPA shall notify Ellensburg as soon as practicable of any request received under the Freedom of Information Act (FOIA), or under any other federal law or court or administrative order,

for any confidential information. BPA shall release such confidential information consistent with FOIA or if required by any other federal law or court or administrative order. BPA shall limit the use and dissemination of confidential information within BPA to employees who need it for purposes of administering this Agreement.

17.8 Resources Not Used to Serve Total Retail Load

Ellensburg shall list in section 6 of Exhibit A all Generating Resources Ellensburg owns that are: (1) not Specified Resources listed in section 2 of Exhibit A, and (2) greater than 1,000 megawatt of nameplate capability. At BPA's request, Ellensburg shall provide BPA with additional data if needed to verify the information listed in section 6 of Exhibit A.

18. UNCONTROLLABLE FORCES

18.1 A Party shall not be in breach of an obligation under this Agreement to the extent its failure to fulfill the obligation is due to an Uncontrollable Force. "Uncontrollable Force" means an event beyond the reasonable control, and without the fault or negligence, of the Party claiming the Uncontrollable Force, that prevents that Party from performing its obligations under this Agreement and which that Party could not have avoided by the exercise of reasonable care, diligence and foresight. Uncontrollable Forces include each event listed below, to the extent it satisfies the foregoing criteria, but are not limited to these listed events:

- (1) any curtailment or interruption of firm transmission service on BPA's or a Third-Party Transmission Provider's System that prevents delivery of Firm Requirements Power sold under this Agreement to Ellensburg;
- (2) any failure of Ellensburg's distribution or transmission facilities that prevents Ellensburg from delivering power to end-users;
- (3) strikes, work stoppage, or terrorist acts;
- (4) floods, earthquakes, other natural disasters, epidemics, or pandemics; and
- (5) final orders or injunctions issued by a court or regulatory body having subject matter jurisdiction which the Party claiming the Uncontrollable Force, after diligent efforts, was unable to have stayed, suspended, or set aside pending review by a court having subject matter jurisdiction.

18.2 Neither the unavailability of funds or financing, nor conditions of national or local economies or markets shall be considered an Uncontrollable Force. The economic hardship of either Party shall not constitute an Uncontrollable Force. Nothing contained in this provision shall be construed to require either Party to settle any strike or labor dispute in which it may be involved.

- 18.3 If an Uncontrollable Force prevents a Party from performing any of its obligations under this Agreement, such Party shall:
- (1) promptly notify the other Party of such Uncontrollable Force by any means practicable and confirm such notice in writing as soon as reasonably practicable;
 - (2) use commercially reasonable efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligation hereunder as soon as reasonably practicable;
 - (3) keep the other Party apprised of such efforts on an ongoing basis; and
 - (4) provide written notice of the resumption of performance.

Written notices sent under this section must comply with section 1 of Exhibit I.

- 18.4 The Parties shall keep each other apprised of the status of any Uncontrollable Force once invoked.

19. GOVERNING LAW AND DISPUTE RESOLUTION

This Agreement shall be interpreted consistent with and governed by federal law. Ellensburg and BPA shall identify issue(s) in dispute arising out of this Agreement and make a good faith effort to negotiate a resolution of such disputes before either may initiate litigation or arbitration. Such good faith effort shall include discussions or negotiations between the Parties' executives or managers. Pending resolution of a contract dispute or contract issue between the Parties or through formal dispute resolution of a contract dispute arising out of this Agreement, the Parties shall continue performance under this Agreement unless to do so would be impossible or impracticable. Unless the Parties engage in binding arbitration as provided for in this section 19, the Parties reserve their rights to individually seek judicial resolution of any dispute arising under this Agreement.

19.1 Judicial Resolution

Final actions subject to Section 9(e) of the Northwest Power Act are not subject to arbitration under this Agreement and shall remain within the exclusive jurisdiction of the United States Court of Appeals for the Ninth Circuit. Such final actions include, but are not limited to, the establishment and the implementation of rates and rate methodologies. Any dispute regarding any rights or obligations of Ellensburg or BPA under any rate or rate methodology, or BPA policy, including the implementation of such policy, shall not be subject to arbitration under this Agreement. For purposes of this section 19, BPA policy means any written document adopted by BPA as a final action in a decision record or record of decision that establishes a policy of general application or makes a determination under an applicable statute or regulation. If BPA determines that a dispute is excluded from nonbinding

arbitration under this section 19, then Ellensburg may apply to the federal court having jurisdiction for an order determining whether such dispute is subject to nonbinding arbitration under this section 19.

19.2 **Arbitration**

Any contract dispute or contract issue between the Parties arising out of this Agreement, which is not excluded by section 19.1 above, shall be subject to arbitration, as set forth below.

Ellensburg may request that BPA engage in binding arbitration to resolve any dispute. If Ellensburg requests such binding arbitration and BPA determines in its sole discretion that binding arbitration of the dispute is appropriate under BPA's Binding Arbitration Policy or its successor, then BPA shall engage in such binding arbitration, provided that the remaining requirements of this section 19.2 and sections 19.3 and 19.4 are met. BPA may request that Ellensburg engage in binding arbitration to resolve any dispute. In response to BPA's request, Ellensburg may agree to binding arbitration of such dispute, provided that the remaining requirements of this section 19.2 and sections 19.3 and 19.4 are met. Before initiating binding arbitration, the Parties shall draft and sign an agreement to engage in binding arbitration, which shall set forth the precise issue in dispute, the amount in controversy and the maximum monetary award allowed, pursuant to BPA's Binding Arbitration Policy or its successor.

Nonbinding arbitration shall be used to resolve any dispute arising out of this contract that is not excluded by section 19.1 above and is not resolved via binding arbitration, unless Ellensburg notifies BPA that it does not wish to proceed with nonbinding arbitration.

19.3 **Arbitration Procedure**

Any arbitration shall take place in Portland, Oregon, unless the Parties agree otherwise. The Parties agree that a fundamental purpose for arbitration is the expedient resolution of disputes; therefore, the Parties shall make best efforts to resolve an arbitrable dispute within one year of initiating arbitration. The rules for arbitration shall be agreed to by the Parties.

19.4 **Arbitration Remedies**

The payment of monies shall be the exclusive remedy available in any arbitration proceeding pursuant to this section 19. This shall not be interpreted to preclude the Parties from agreeing to limit the object of arbitration to the determination of facts. Under no circumstances shall specific performance be an available remedy against BPA.

19.5 **Finality**

19.5.1 In binding arbitration, the arbitration award shall be final and binding on the Parties, except that either Party may seek judicial review based upon any of the grounds referred to in the Federal Arbitration Act, 9 U.S.C. §1-16 (1988). Judgment upon the award

rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof.

19.5.2 In nonbinding arbitration, the arbitration award is not binding on the Parties. Each Party shall notify the other Party within 30 calendar days, or such other time as the Parties otherwise agreed to, whether it accepts or rejects the arbitration award. Subsequent to nonbinding arbitration, if either Party rejects the arbitration award, either Party may seek judicial resolution of the dispute, provided that such suit is brought no later than 395 calendar days after the date the arbitration award was issued.

19.6 Arbitration Costs

Each Party shall be responsible for its own costs of arbitration, including legal fees. Unless otherwise agreed to by the Parties, the arbitrator(s) may apportion all other costs of arbitration between the Parties in such manner as the arbitrator(s) deem reasonable taking into account the circumstances of the case, the conduct of the Parties during the proceeding, and the result of the arbitration.

20. STATUTORY PROVISIONS

20.1 Retail Rate Schedules

Ellensburg shall make its retail rate schedules available to BPA, as required by section 5(a) of the Bonneville Project Act, P.L. 75-329, within 30 calendar days of each of Ellensburg's retail rate schedule effective dates. This requirement may be satisfied by Ellensburg informing BPA of its public website where such information is posted and kept current.

20.2 Insufficiency and Allocations

If BPA determines, consistent with Section 5(b) of the Northwest Power Act and other applicable statutes, that it will not have sufficient resources on a planning basis to serve its loads after taking all actions required by applicable laws then BPA shall give Ellensburg a written notice that BPA may restrict service to Ellensburg. Such notice shall be consistent with BPA's insufficiency and allocations methodology, published in the Federal Register on March 20, 1996, and shall state the effective date of the restriction, the amount of Ellensburg's load to be restricted and the expected duration of the restriction. BPA shall not change that methodology without the written agreement of all public body, cooperative, federal agency and investor-owned utility customers in the Region purchasing electric power from BPA under Section 5(b) of the Northwest Power Act. Such restriction shall take effect no sooner than five years after BPA provides notice to Ellensburg. If BPA imposes a restriction under this provision then the amount of Firm Requirements Power that BPA is obligated to provide and that Ellensburg is obligated to purchase pursuant to section 3 and Exhibit C shall be reduced to the amounts available under such allocation methodology for restricted service.

20.3 New Large Single Loads and CF/CTs

20.3.1 Customer Notice of Large Loads and Determination of an NLSL

Ellensburg shall provide reasonable notice to BPA of any expected increase in a single load that may qualify as a Potential NLSL, Planned NLSL, or NLSL.

Pursuant to this section 20.3, BPA shall determine if any load associated with a single facility that is capable of growing ten Average Megawatts or more in a consecutive 12-month period is a Potential NLSL or an NLSL. Pursuant to this section 20.3, the Parties shall determine if any load associated with a single facility is a Planned NLSL.

Ellensburg's Potential NLSLs, Planned NLSLs, and NLSLs shall be subject to monitoring as determined necessary by BPA. For the purposes of section 2.66, this section 20.3, and section 1 of Exhibit D, ten Average Megawatts in a consecutive 12-month monitoring period equates to 87,600,000 kilowatt-hours in any consecutive 12-month period with 365 days and 87,840,000 kilowatt-hours for any consecutive 12-month period with 366 days.

In accordance with BPA's NLSL Policy and the terms of this section 20.3, BPA may determine that a load is an NLSL as follows:

20.3.1.1 Pursuant to Section 3(13) of the Northwest Power Act, BPA shall determine an increase in production load to be an NLSL if any load associated with a new facility, an existing facility, or an expansion of an existing facility, which is not Contracted For, or Committed To (CF/CT), as determined by the Administrator, by a public body, cooperative, investor-owned utility, or federal agency customer prior to September 1, 1979, will result in an increase in power requirements of such customer of ten Average Megawatts or more in any consecutive 12-month period.

20.3.1.2 For the sole purpose of computing the increase in energy consumption between any two consecutive 12-month periods of comparison under this section 20.3.1, BPA shall determine if the reductions in the end-use consumer's load associated with a facility during the first 12-month period of comparison are due to unusual events reasonably beyond the control of the end-use consumer, and, if so, BPA shall compute the energy consumption as if such reductions had not occurred.

20.3.1.3 The Parties may agree that the applicable increase in load of installed production equipment at a facility will equal or exceed ten Average Megawatts consumption over any

12 consecutive months and that such production load constitutes an NLSL. Any such agreement will be a binding NLSL determination, and BPA shall add the NLSL to section 1 of Exhibit D. Alternatively, the Parties may agree that the load at a facility is expected to become an NLSL during the facility's next consecutive 12-month monitoring period and that such load is a Planned NLSL. BPA shall add the Planned NLSL to section 1 of Exhibit D.

20.3.1.4 Unless the Parties agree pursuant to section 20.3.1.3 above, BPA shall determine whether a new load or an increase in existing load at a facility is an NLSL. If BPA determines that the load at a facility is an NLSL, then BPA shall notify Ellensburg and BPA shall add the NLSL to section 1 of Exhibit D if such is not already in Exhibit D after the facility determination pursuant to section 20.3.2.

20.3.1.5 BPA shall list Ellensburg's CF/CT loads, Potential NLSLs, Planned NLSLs, and NLSLs in section 1 of Exhibit D.

20.3.2 Determination of a Facility

BPA shall make a written determination as to what constitutes a single facility for the purpose of identifying an NLSL. BPA's determination will be made by applying some or all of the following criteria:

- (1) whether the load is operated by a single end-use consumer;
- (2) whether the load is in a single location;
- (3) whether the load serves a manufacturing process which produces a single product or type of product;
- (4) whether separable portions of the load are interdependent;
- (5) whether the load is separately metered from other loads;
- (6) whether the load is contracted for, served or billed as a single load under Ellensburg's customary billing and service policy or practices;
- (7) consideration of the facts from previous similar situations; and
- (8) any other factors the Parties determine to be relevant.

20.3.3 Access and Metering

Upon BPA request, Ellensburg shall provide physical access to its substations and other service locations where BPA needs to perform inspections or gather information for purposes of implementing

Section 3(13) of the Northwest Power Act. Such BPA inspections may include but are not limited to those needed to make a facility, final NLSL, or CF/CT determination. Ellensburg shall coordinate with the end-use consumer to provide BPA, at reasonable times, physical access to inspect a facility for these purposes.

For any load that is monitored by BPA for an NLSL determination, and for any load at any facility that was determined by BPA to be an NLSL, BPA may, in its sole discretion, install BPA owned meters. If the Parties agree, Ellensburg may install meters meeting specifications BPA provides to Ellensburg. Ellensburg and BPA shall enter into a separate agreement for the location, ownership, cost responsibility, access, maintenance, testing, replacement and liability of the Parties with respect to such meters. Ellensburg shall coordinate with BPA and the end-use consumer to arrange for metering locations that allow accurate measurement of the load at a facility. Ellensburg shall arrange for BPA to have physical access to such meters and Ellensburg shall ensure BPA has access to all meter data for loads that are monitored under this section 20.3 and section 1 of Exhibit D that BPA determines are necessary to forecast, plan, schedule, and bill for power.

20.3.4 Billing for Large Loads Capable of Growing By More Than 10 aMW in 12-Month Monitoring Period

At the time a load starts to increase, if BPA does not determine that such increase in load is a Planned NLSL or an NLSL, then BPA shall bill Ellensburg for the increase in load at a facility at the applicable PF rates during any consecutive 12-month monitoring period.

If BPA later determines that the increase in load is an NLSL, then BPA shall revise Ellensburg's monthly bills from the monitoring period to reflect the difference between the assessed PF rates and the applicable NR Rates in effect for the monitoring period in which the increase takes place. Ellensburg shall pay the balance on each revised bill, which will include simple interest on the assessed amount. BPA shall compute simple interest on the assessed amount from the original Due Date of any bill that included days from the applicable monitoring period to the Due Date of the revised bill that will be issued. The daily interest rate shall equal the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue published during the month in which the monitoring period began) divided by 365. After BPA's NLSL determination, Ellensburg shall make a service request or election for the NLSL pursuant to section 20.3.6.

If BPA concludes in its sole judgment that Ellensburg has not fulfilled its obligations, or has not been able to obtain access or information from the end-use consumer under this section 20.3, then BPA may determine any large load capable of growing ten Average Megawatts

or more in a consecutive 12-month period or any Potential NLSL subject to monitoring to be an NLSL, in which case Ellensburg shall be billed and pay in accordance with the preceding paragraph. Such NLSL determination shall be final unless Ellensburg proves to BPA's satisfaction that the applicable increase in load did not equal or exceed ten Average Megawatts in any 12-month monitoring period.

20.3.5 Load Status at the End of the Consecutive 12-Month Monitoring Period

At the end of each consecutive 12-month monitoring period of a load at a facility, BPA will determine if the metered load at the facility has grown by ten Average Megawatts or more during the preceding consecutive 12-month monitoring period. To determine load growth for a facility determined to be a CF/CT, BPA will subtract the amount of firm energy contracted for, or committed for the facility, as stated in section 1 of Exhibit D, from the metered load at the facility for the preceding consecutive 12-month monitoring period.

20.3.5.1 Load Growth By 10 Average Megawatts or More

If the load at a facility has grown by ten Average Megawatts or more in the preceding consecutive 12-month monitoring period, then the facility is an NLSL. BPA shall notify Ellensburg of the NLSL designation and shall update section 1 of Exhibit D. Any future increases in the load shall be part of the NLSL.

20.3.5.2 Load Growth Less Than 10 Average Megawatts

If the load at a facility has grown by less than ten Average Megawatts in the preceding consecutive 12-month monitoring period, then BPA shall notify Ellensburg that the load remains a Potential NLSL or Planned NLSL, and BPA may continue to monitor the load growth in the subsequent consecutive 12-month monitoring period. BPA shall also determine if liquidated damages are applicable pursuant to section 1 of Exhibit D.

If the load at a facility has grown by less than ten Average Megawatts in the preceding consecutive 12-month monitoring period(s), then BPA will track the cumulative total load at the facility from one monitoring period to the next. For purposes of this section 20.3 and section 1 of Exhibit D, the cumulative total load, including load increases and load reductions, from the prior 12-month monitoring period(s) will be referred to as the "Cumulative Prior Load". At the end of each 12-month monitoring period, BPA shall update section 1 of Exhibit D with the amount of Ellensburg's Cumulative Prior Load and include the amount of Cumulative Prior Load in the calculation of Ellensburg's Firm Requirements Power

eligible for service at BPA's PF rates for the subsequent consecutive 12-month monitoring period.

20.3.5.3 Load at a Facility Included in Customer's Firm Requirement Power

For purposes of this section 20.3 and section 1 of Exhibit D, the amount of Cumulative Prior Load of a Potential NLSL or Planned NLSL when BPA determines the facility to be an NLSL will be the fixed amount of Ellensburg's load at a facility that BPA will include in its calculation of Ellensburg's Firm Requirements Power eligible for service at BPA's PF rates. BPA may adjust the fixed amount of Ellensburg's load at a facility that BPA will include in its calculation of Ellensburg's Firm Requirements Power eligible for service at BPA's PF rates if Ellensburg's load at the facility reduces by 10 aMW below the fixed amount.

Upon BPA's determination that a monitored load is an NLSL, all measured amounts of such NLSL that exceed the load at the facility that is included in Ellensburg's Firm Requirements Power calculation shall be part of Ellensburg's NLSL, which will be served in accordance with this section 20.3 and section 1 of Exhibit D.

As applicable, BPA shall update the table in section 1.5.2 of Exhibit D with the fixed amount of load at the facility to be included in the calculation of Ellensburg's Firm Requirements Power eligible for service at BPA's PF rates.

20.3.6 Service Options for Planned NLSLs and NLSLs

Ellensburg may:

- (1) serve any Planned NLSL or NLSL with Dedicated Resource or Consumer-Owned Resource amounts added to Exhibit A that are not already being used to serve Ellensburg's Total Retail Load in the Region. If Ellensburg elects to serve its NLSL with Dedicated Resource or Consumer-Owned Resource Amounts, then such election shall be binding on Ellensburg for the remaining term of this Agreement; or
- (2) request to have BPA serve any Planned NLSL or NLSL at the applicable NR Rate consistent with section 20.3.7 below.

If Ellensburg serves any Planned NLSL or NLSL with Committed Power Purchase Amounts, then Ellensburg shall provide BPA with information necessary for BPA's compliance with regional resource adequacy planning requirements pursuant to section 22.1 and section 5 of Exhibit J.

If Ellensburg has existing Planned NLSLs or NLSLs as of the Effective Date of this Agreement, and if Ellensburg has not notified BPA which service option above it chooses for each applicable Planned NLSL or NLSL above by the start of the CHWM Load Process for FY 2029, then Ellensburg's default election for all such existing Planned NLSLs and NLSLs shall be consistent with section 20.3.6(1) above.

If Ellensburg changes its purchase obligation pursuant to section 11 of this Agreement, and (1) Ellensburg has requested and BPA has started an NLSL service study or (2) Ellensburg has Planned NLSLs or NLSLs served by BPA at the NR Rate, then BPA will assess future service for such Planned NLSLs or NLSLs on a case-by-case basis.

20.3.7 Request for NLSL Service Study, Summary Report, and NLSL Service Election

If Ellensburg would like BPA to serve a Planned NLSL or an NLSL at the NR Rate, then Ellensburg shall submit a written request to BPA for an NLSL service study no sooner than the Effective Date of this Agreement.

Ellensburg shall provide BPA all information requested by BPA necessary to study Ellensburg's Planned NLSL or NLSL. After BPA determines it has all necessary information, BPA shall conduct an NLSL service study that may last up to three years from the date of Ellensburg's request.

During the study period, BPA shall: (1) assess the ability of BPA to serve the Planned NLSL or NLSL with firm power and (2) periodically keep Ellensburg apprised of its study progress. BPA shall bill Ellensburg and Ellensburg shall pay all costs associated with the NLSL service study, including but not limited to staff time and third-party costs associated with completing a study.

Once BPA completes the NLSL service study, BPA will provide Ellensburg with the NLSL service study summary report for BPA to make power available to serve the NLSL with firm power at the NR Rate. The NLSL service study summary report will state the conditions of BPA making power available to serve the NLSL such as: the anticipated date BPA could provide power, costs arrangements, any BPA resource acquisition needs, any additional information required, and any identified constraints that may be known.

Power Services will coordinate with Transmission Services to complete and implement any NLSL service study to identify anticipated timing of available transmission to incorporate any new resource acquisition into the FCRPS for any new resources Power Services forecasts. Coordination between Power Services, Transmission Services and Ellensburg is necessary to facilitate arrangements between Ellensburg

and Transmission Services for delivery of Firm Requirements Power to Ellensburg to serve a Planned NLSL or an NLSL under Ellensburg's transmission service agreement with Transmission Services.

Within 90 calendar days of receipt of the NLSL service study summary report, Ellensburg shall elect in writing to: (1) have BPA serve the Planned NLSL or NLSL at the NR Rate starting on the date stated in the summary report and consistent with section 20.3.6(2) above; or (2) continue to serve the Planned NLSL or NLSL with non-federal resource(s) consistent with section 20.3.6(1) above. Such election shall be binding on Ellensburg for the remaining term of this Agreement.

If Ellensburg elects to have BPA serve the Planned NLSL or NLSL at the NR Rate, then the Parties will revise Exhibit D to include the terms and conditions of the NLSL service study summary report, including a provision for liquidated damages, or develop a stand-alone agreement with such terms.

20.3.8 Planned NLSL and NLSL Service During the Study Period and Until the NR Service Start Date

While BPA conducts an NLSL service study and until Ellensburg's elected service start date at the NR Rate, Ellensburg may serve its Planned NLSL or NLSL with Dedicated Resource or Consumer-Owned Resource amounts consistent with section 20.3.6(1). BPA shall revise section 4 or 7.4 of Exhibit A to include such resources.

At any time while BPA is conducting an NLSL service study, Ellensburg may request BPA discontinue the NLSL service study and elect to serve the Planned NLSL or NLSL with Dedicated Resource or Consumer-Owned Resource amounts for the term of this Agreement. If a Planned NLSL becomes an NLSL during the NLSL study period, BPA shall update Exhibit D to reflect the change.

20.3.9 Submittal of Initial Forecast

If Ellensburg is serving any Planned NLSLs or NLSLs with Dedicated Resource or Consumer-Owned Resource amounts, then by June 30 of each year, unless another date is agreed to by the Parties, Ellensburg shall provide BPA with forecasted energy amounts for such resources for each Diurnal period and peak amounts for each month to serve any Planned NLSLs and NLSLs for the upcoming Fiscal Year. BPA shall use Ellensburg's initial forecast to determine the Dedicated Resource or Consumer-Owned Resource amounts required to serve the Planned NLSLs and NLSLs. However, if BPA determines Ellensburg's initial forecast to be unreasonable, then BPA may replace Ellensburg's initial forecast with a final forecast that BPA develops. If Ellensburg is serving any Planned NLSLs or NLSLs with Dedicated Resource or

Consumer-Owned Resource amounts, then BPA shall revise section 4 or 7.4 of Exhibit A to state such amounts by September 1 of each year.

20.3.10 Consumer-Owned Resources Serving a Planned NLSL or an NLSL

20.3.10.1 Consumer-Owned Resources

Ellensburg's consumer may serve a Planned NLSL or an NLSL with a Consumer-Owned Resource if the following criteria are met:

- (1) the Consumer-Owned Resource and its expected generation amounts are indicated in section 7.4 of Exhibit A as serving a specific Planned NLSL or NLSL;
- (2) the Consumer-Owned Resource is physically located within Ellensburg's service territory;
- (3) the Consumer-Owned Resource is within the same Balancing Area Authority as the Planned NLSL or NLSL; and
- (4) the Consumer-Owned Resource is metered, regardless of nameplate size, and the meter data is communicated in accordance with section 15 and section 17 of the body of this Agreement.

If Ellensburg serves a Planned NLSL or an NLSL with a Consumer-Owned Resource, then Ellensburg may be required to purchase NR Support Services pursuant to requirements in the applicable Power Rate Schedules and GRSPs.

For purposes of determining Ellensburg's monthly power billing determinants, the load at a facility will be calculated by subtracting the actual generation from Ellensburg's Consumer-Owned Resource(s) identified in section 7.4 of Exhibit A from the metered hourly load of any Planned NLSL or NLSL listed in Exhibit D.

The generation from such Consumer-Owned Resources may not exceed the Planned NLSL or NLSL being served on any hour. BPA may adjust Ellensburg's power billing determinants to account for hourly excess Consumer-Owned Resource generation and may assess other charges or penalties in accordance with any applicable BPA Power Rate Schedules and GRSPs.

20.3.10.2 On-Site Renewable Resource/Cogeneration Exception

For purposes of this section 20.3.10.2, on-site means within the physical footprint of the NLSL facility as determined by BPA in the facility determination process.

Ellensburg may request to have BPA serve an NLSL at a PF equivalent rate, as established in the applicable 7(i) Process, if the following criteria are met:

- (1) Ellensburg's end use consumer applies an on-site renewable resource or on-site cogeneration resource to reduce the load at a facility, that is otherwise not eligible to be served at PF rates, to less than ten Average Megawatts in a consecutive 12-month period,
- (2) the on-site renewable resource or on-site cogeneration resource applied to the NLSL is behind Ellensburg's meter to the load at the facility, and
- (3) the on-site renewable resource or on-site cogeneration resource is continuously applied to serve the NLSL, consistent with BPA's NLSL Policy and BPA's Provider of Choice Contract Record of Decision (ROD), August 2025, as amended or replaced.

If Ellensburg meets the criteria above and BPA grants Ellensburg's request for the on-site renewable/cogeneration exception, then BPA shall: (1) list the Consumer-Owned Resource serving the NLSL in section 7.4 of Exhibit A and (2) revise section 1 of Exhibit D to add the on-site renewable resource or cogeneration facility and the requirements for such service.

20.4 Priority of Pacific Northwest Customers

The provisions of Sections 9(c) and 9(d) of the Northwest Power Act and the provisions of the Pacific Northwest Consumer Power Preference Act as amended by the Northwest Power Act, as implemented pursuant to BPA's 5(b)/9(c) Policy, are incorporated into this Agreement by reference. Ellensburg, together with other customers in the Region, shall have priority to electric power consistent with such provisions.

20.5 Prohibition on Resale

Ellensburg shall not resell Firm Requirements Power except to serve Ellensburg's Total Retail Load or as otherwise permitted by federal law.

20.6 Use of Regional Resources

20.6.1 Within 60 calendar days prior to the start of each Fiscal Year, Ellensburg shall provide notice to BPA of any firm power from Ellensburg's Generating Resources during its term, listed in Exhibit A that has been used to serve firm consumer load in the Region and that Ellensburg plans to export for sale outside the Region in the next Fiscal Year. Firm power includes firm energy and firm peaking capability.

BPA may request and Ellensburg shall provide within 30 calendar days of such request, additional information on Ellensburg's sales and dispositions of non-federal resources if BPA has information that Ellensburg may have made such an export and not notified BPA. BPA may request and Ellensburg shall provide within 30 calendar days of such request, information on the planned use of any or all of Ellensburg's Generating Resources.

During any Rate Period that Ellensburg has no purchase obligation for Firm Requirements Power under section 3, Ellensburg shall have no obligation to notify BPA of its exports under this section; provided, however, Ellensburg shall provide notification of all applicable exports in Rate Periods when it has a purchase obligation.

20.6.2 Ellensburg shall be responsible for monitoring any firm power from Generating Resources it sells in the Region to ensure such firm power is planned to be used to serve firm consumer load in the Region.

20.6.3 Subject to the 5(b)/9(c) Policy, if Ellensburg fails to report to BPA in accordance with section 20.6.1 above, any of its planned exports for sale outside the Region of firm power from a Generating Resource that has been used to serve firm consumer load in the Region, and BPA makes a finding that an export which was not reported was made, then BPA shall decrement the amount of its Firm Requirements Power sold under this Agreement by the amount and for the duration of the export that was not reported and by any continuing export amount. Decrements under the preceding sentence shall be first to power that would otherwise be provided at the applicable firm power rate, as determined by BPA. When applicable, such decrements shall be identified in section 3.2 of Exhibit A.

20.6.4 For purposes of this section 20.6, an export for sale outside the Region means a contract for the sale or disposition of firm power from a Generating Resource during its term that has been used to serve firm consumer load in the Region, which contract will be performed in a manner that such output is no longer used or not planned to be used solely to serve firm consumer load in the Region. Delivery of firm power outside the Region under a seasonal exchange agreement that is made consistent with BPA's 5(b)/9(c) Policy will not be considered

an export. Firm power from a Generating Resource used to serve firm consumer load in the Region means the firm generating or load carrying capability of a Generating Resource as established under the resource planning criteria generally used within the Region.

20.6.5 For purposes of this section 20.6, if Ellensburg has notified BPA that it will join and participate in an organized market using non-federal firm power produced by a Generating Resource dedicated to supply its Total Retail Load as identified in Exhibit A, then to the extent the organized market operates geographically both within and outside the Region, Ellensburg's participation in such market will not be considered an export outside the Region, provided Ellensburg's dedicated non-federal power obligation remains unchanged from the amount identified in Exhibit A. Ellensburg's participation in an organized market shall not increase the firm energy requirements of Ellensburg or other customers of the Administrator, as determined by the Administrator.

20.7 BPA Appropriations Refinancing

The Parties agree that the provisions of section 3201(i) of the Bonneville Power Administration Refinancing section of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (BPA Refinancing Act), P.L. 104-134, 110 Stat. 1321, 350, as stated in the United States Code on the Effective Date, are incorporated by reference and are a material term of this Agreement.

21. STANDARD PROVISIONS

21.1 Amendments

Except where this Agreement explicitly allows for one Party to unilaterally amend a provision or exhibit, no amendment of this Agreement shall be of any force or effect unless set forth in writing and signed by authorized representatives of each Party. Upon Ellensburg's request, and to the extent BPA determines it is practicable, BPA shall provide Ellensburg a reasonable opportunity to review any unilateral provision or exhibit revisions, or the data that will be input into an exhibit revision, prior to BPA making such unilateral revisions.

21.2 Entire Agreement and Order of Precedence

This Agreement, including documents expressly incorporated by reference, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement. It supersedes all previous communications, representations, or contracts, either written or oral, which purport to describe or embody the subject matter of this Agreement. The body of this Agreement shall prevail over the exhibits to this Agreement in the event of a conflict.

21.3 Assignment

This Agreement is binding on any successors and assigns of the Parties. Neither Party may otherwise transfer or assign this Agreement, in whole or in part, without the other Party's written consent. Such consent shall not be unreasonably withheld. Without limiting the foregoing, BPA's refusal to consent to assignment shall not be considered unreasonable if, in BPA's sole discretion: (1) the sale of power by BPA to the assignee would violate any applicable statute, or (2) such sale might adversely affect the tax-exempt status of bonds issued as part of an issue that finances or refinances the Columbia Generating Station or that such sale might limit the ability to issue future tax-exempt bonds to finance or refinance the Columbia Generating Station. Ellensburg may not transfer or assign this Agreement to any of its retail consumers.

21.4 No Third-Party Beneficiaries

This Agreement is made and entered into for the sole benefit of the Parties, and the Parties intend that no other person or entity shall be a direct or indirect beneficiary of this Agreement.

21.5 Waivers

No waiver of any provision or breach of this Agreement shall be effective unless such waiver is in writing and signed by the waiving Party, and any such waiver shall not be deemed a waiver of any other provision of this Agreement or of any other breach of this Agreement.

21.6 BPA Policies

Any reference in this Agreement to BPA policies, including any revisions, does not constitute agreement of Ellensburg to such policy by execution of this Agreement, nor shall it be construed to be a waiver of the right of Ellensburg to seek judicial review of any such policy.

21.7 Rate Covenant and Payment Assurance

Ellensburg agrees that it shall establish, maintain and collect rates or charges sufficient to assure recovery of its costs for power and energy and other services, facilities and commodities sold, furnished or supplied by it through any of its electric utility properties. BPA may require additional forms of payment assurance if: (1) BPA determines that such rates and charges may not be adequate to provide revenues sufficient to enable Ellensburg to make the payments required under this Agreement, or (2) BPA identifies in a letter to Ellensburg that BPA has other reasonable grounds to conclude that Ellensburg may not be able to make the payments required under this Agreement. If Ellensburg does not provide payment assurance satisfactory to BPA, then BPA may terminate this Agreement. Written notices sent under this section must comply with section 1 of Exhibit I.

21.8 Procedure in the Event of Federal Base System Resource Loss

BPA shall provide notice to Ellensburg if BPA expects the loss of Federal Base System Resource, as defined in Section 3(10) of the Northwest Power Act, that: (1) is in excess of 450 aMW in a single year and is

expected to last for a period of five or more years, and (2) the replacement cost of which would be included in the Tier 1 Cost Pool.

BPA shall conduct a public process to discuss targeted policy and CHWM Contract amendments if, within 30 calendar days of such notice provided in this section 21.8, a majority of CHWM Contract customers, or their representatives, indicate in writing to BPA the customer's support to open a public process to discuss targeted policy and contract amendments. For purposes of calculating utility count under this section, JOE Members will be counted individually.

22. PARTICIPATION IN WRAP

BPA is participating in the Western Resource Adequacy Program (WRAP) with its first binding season occurring prior to October 1, 2028. If BPA ceases to participate in WRAP, then BPA shall provide advance notice to Ellensburg of the date that BPA's participation will end.

The remainder of this section 22 will not apply if BPA is not participating in WRAP.

22.1 Responsibilities and Provision of Information Necessary for WRAP Participation

BPA shall be solely responsible for fulfilling its contractual obligations to WRAP and shall provide WRAP with any necessary data regarding Ellensburg's load and resources in compliance with WRAP requirements. Consistent with this section 22, section 17, and section 5 of Exhibit J, Ellensburg shall provide BPA with any necessary and requested information, forecasts, and attestations associated with Ellensburg's Dedicated Resources and Consumer-Owned Resources serving On-Site Consumer Load.

22.1.1 By October 1, 2027, BPA shall notify Ellensburg of its preferred mode of communication for WRAP-related information.

22.1.2 BPA may request a signed Joint Contract Accreditation Form (JCAF) from Ellensburg for any Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load relevant to the WRAP. Ellensburg shall provide BPA with a signed JCAF(s) no later than 30 calendar days following such request and by the dates established in section 5 of Exhibit J. JCAFs provided under this section shall comply with the requirements of WRAP and shall be updated as appropriate to meet WRAP requirements.

22.2 WRAP-Related Charges Under a Sharing Event

If BPA incurs any charges from WRAP attributed to Ellensburg's Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load, then BPA shall pass through such charges, or the portion of such charges related to Ellensburg's resources, to Ellensburg, subject to the terms of section 5 of Exhibit J.

If BPA does not incur a charge from the WRAP entity but does incur a WRAP-related cost attributed to Ellensburg's Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load, then BPA may assess a charge pursuant to BPA's applicable Power Rate Schedules and GRSPs and as established in a 7(i) Process.

22.3 WRAP and Resource-Related Exhibit Revisions

By June 30, 2027, Ellensburg and BPA shall review and make any necessary revisions to Exhibit J to adjust the terms and conditions to implement this section 22. Such revision may include terms and conditions such as, but not limited to: BPA's preferred mode of communication, Ellensburg notices relevant to WRAP, pass through charges for resources (subject to the limitations in section 22.2 above), terms related to JCAFs, load exclusions, and any other terms necessary to facilitate BPA's participation in WRAP.

In addition, if after June 30, 2027 Ellensburg elects to apply a Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load to load for the first time, then Ellensburg and BPA shall review and make any necessary revisions to Exhibit J to adjust the terms and conditions to implement this section 22.

22.4 Load Exclusions

For purposes of this section 22, "load exclusion" means a distinct and separately metered load of Ellensburg for which BPA is not the exclusive wholesale provider and that is excluded from BPA's WRAP participation.

Ellensburg's request for a load exclusion, and BPA's decision of whether to allow such load exclusion, shall be pursuant to section 5 of Exhibit J.

23. FUTURE AMENDMENT FOR DAY-AHEAD MARKET IMPLEMENTATION

If BPA decides, or has decided, to join a day-ahead market to serve Ellensburg's load, then BPA shall conduct a public process to discuss implementation details of BPA's decision and work with customers to determine: (1) any necessary amendments to the Provider of Choice power sales agreements, including any necessary to align with an updated Transmission Services tariff and settlements under an organized market, and (2) the anticipated timeline for executing such amendments. Such public process shall not be construed as reconsideration of BPA's market decision. Any amendments negotiated during such public process shall be limited to those necessary to implement a day-ahead market and shall not be conditioned by either Party on modification to any other provision under this Agreement not related to implementing a day-ahead market. Following the conclusion of such public process, BPA shall issue the final amendment template and, based on the agreed-upon timeline, prepare and offer Ellensburg a contract amendment using the amendment template. Ellensburg's agreement to such amendment consistent with this section 23 shall not be unreasonably withheld.

Following BPA joining a day-ahead market to serve Ellensburg's load and the Parties amend this Agreement pursuant to this section 23, BPA shall also conduct a

public process on the topic of settlements for the Slice Product in the day-ahead market that BPA joins.

24. TERMINATION

BPA may terminate this Agreement if:

- (1) Ellensburg fails to make payment as required by section 16.4, or
- (2) Ellensburg fails to provide payment assurance satisfactory to BPA as required by section 21.7.

Such termination is without prejudice to any other remedies available to BPA under law.

25. SIGNATURES

This Agreement may be executed in several counterparts, all of which taken together will constitute one single agreement, and may be executed by electronic signature and delivered electronically. The Parties have executed this Agreement as of the last date indicated below.

CITY OF ELLENSBURG

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By _____

By _____

Name The Honorable Rich Elliott
(Print/Type)

Name Hope Ross
(Print/Type)

Title Mayor

Title Account Executive

Date _____

Date _____

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Exhibit A
NET REQUIREMENTS AND RESOURCES

1. NET REQUIREMENTS

BPA shall establish Ellensburg’s Net Requirement based on its Total Retail Load minus: (1) Ellensburg’s Dedicated Resources determined pursuant to section 3.3 of the body of this Agreement and listed in sections 2, 3, and 4 of this exhibit, and (2) Consumer-Owned Resources determined pursuant to section 3.6 of the body of this Agreement and listed in sections 7.1, 7.3, and 7.4 of this exhibit. The Parties shall not add or remove resource amounts to change Ellensburg’s purchase obligations from BPA under section 3.1 of the body of this Agreement except in accordance with sections 3.4.2, 3.5, 3.6 and 10 of the body of this Agreement.

2. LIST OF SPECIFIED RESOURCES

Ellensburg does not have any Specified Resources at this time.

3. COMMITTED POWER PURCHASE AMOUNTS

3.1 Committed Power Purchase Amounts Used to Serve Total Retail Load

3.1.1 Shape of Committed Power Purchase Amounts

BPA shall calculate Ellensburg’s Committed Power Purchase Amounts using the Flat Annual Shape monthly shape and the selected Diurnal shape listed below. BPA shall update the table below consistent with section 3.4.2 of the body of this Agreement.

Shape of Committed Power Purchase Amounts		
Monthly Shape	Diurnal Shape Choice	
Flat Annual Shape	HLH Diurnal Shape	Flat Within-Month Shape
X		X
X		X
X		X
X		X

3.1.2 Committed Power Purchase Amounts

Ellensburg does not have any Committed Power Purchase Amounts at this time.

3.2 Committed Power Purchase Amounts for 9(c) Export Decrements

Ellensburg does not have any Committed Power Purchase Amounts for 9(c) export decrements at this time.

4. DEDICATED RESOURCE AMOUNTS USED TO SERVE PLANNED NLSLs AND NLSLs

Ellensburg does not have any Dedicated Resource amounts serving a Planned NLSL or an NLSL at this time, in accordance with sections 3.5.8 and 20.3 of the body of this Agreement.

5. TOTAL DEDICATED RESOURCE AMOUNTS

Ellensburg does not have any Dedicated Resource amounts at this time.

6. LIST OF RESOURCES NOT USED TO SERVE TOTAL RETAIL LOAD

Pursuant to section 17 of the body of this Agreement, Ellensburg does not own any Generating Resources that are: (1) not Specified Resources listed in section 2 of Exhibit A, and (2) greater than 1.000 megawatt of nameplate capability.

7. LIST OF CONSUMER-OWNED RESOURCES

7.1 Consumer-Owned Resources Serving On-Site Consumer Load

Pursuant to section 3.6 of the body of this Agreement, Ellensburg does not have any Consumer-Owned Resources serving On-Site Consumer Load at this time.

7.2 Consumer-Owned Resources Serving Load Other than On-Site Consumer Load

Pursuant to section 3.6 of the body of this Agreement, Ellensburg does not have any Consumer-Owned Resources serving load other than On-Site Consumer Load at this time.

7.3 Consumer-Owned Resources Serving Both On-Site Consumer Load and Load Other than On-Site Consumer Load

Pursuant to section 3.6 of the body of this Agreement, Ellensburg does not have any Consumer-Owned Resources serving both On-Site Consumer Load and load other than On-Site Consumer Load at this time.

7.4 Consumer-Owned Resources Serving Planned NLSL or NLSL

Pursuant to section 20.3.10 of the body of this Agreement, Ellensburg does not have any Consumer-Owned Resources serving a Planned NLSL or an NLSL at this time.

8. TABLES FOR HLH DIURNAL SHAPE

8.1 Specified Resources

If Ellensburg elects the HLH Diurnal Shape for its Specified Resources, then Ellensburg shall fill in a table with monthly LLH and HLH amounts for each year of the upcoming Rate Period for each Specified Resource. The monthly LLH and HLH distributions shall be the same across all years of a Rate Period. Ellensburg shall submit the tables to BPA when Ellensburg makes its reshaping elections. BPA shall update the appropriate Dedicated Resource amounts pursuant to Ellensburg's submitted elections and consistent with section 3.4.2 of the body of this Agreement.

8.2 Committed Power Purchase Amounts

If Ellensburg elects the HLH Diurnal Shape for its Committed Power Purchase Amounts, then Ellensburg shall submit to BPA in writing its elected ratios of megawatt-hours per hour in HLH to megawatt-hours per hour in LLH by October 31 of a Rate Case Year. Ellensburg shall submit to BPA twelve monthly ratios and such monthly ratios shall apply for all years of the corresponding Rate Period. BPA shall update the table below pursuant to Ellensburg’s submitted elections and consistent with section 3.4.2 of the body of this Agreement. BPA shall calculate Ellensburg’s Committed Power Purchase Amounts using the ratios in the table below.

HLH Diurnal Shape for Committed Power Purchase Amounts												
Rate Period	HLH to LLH Ratios (HLH:LLH)											
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY 2029 – FY 2030												
FY 2031 – FY 2032												
FY 2033 – FY 2034												
FY 2035 – FY 2036												
FY 2037– FY 2038												
FY 2039 – FY 2040												
FY 2041– FY 2042												
FY 2043 – FY 2044												

9. REVISIONS

BPA shall unilaterally revise this exhibit to reflect: (1) Ellensburg’s elections regarding the application and use of all resources owned by Ellensburg and Ellensburg’s retail consumers and (2) BPA’s determinations relevant to this exhibit and made in accordance with this Agreement. All other changes to this Exhibit A will be made by mutual agreement of the Parties.

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Exhibit B
CONTRACT HIGH WATER MARKS

1. CONTRACT HIGH WATER MARK (CHWM)

1.1 CHWM Amount

By September 30, 2026, BPA shall fill in the table below with Ellensburg's CHWM. Once established, BPA may only adjust Ellensburg's CHWM as permitted pursuant to section 1.2 of this exhibit.

CHWM (annual aMW) ^{1/}:	
<u>Note:</u> BPA shall round the number in the table above to three decimal places.	
^{1/} CHWM amount effective October 1, 2028.	

1.2 CHWM Adjustments

BPA shall determine any adjustments to Ellensburg's CHWM pursuant to this section 1.2. BPA shall notify Ellensburg of any adjustments and the date such adjustment will be effective.

1.2.1 Corrections for NLSLs

If after BPA establishes Ellensburg's CHWM pursuant to section 7 of the body of this Agreement, BPA determines that a load included in Ellensburg's Total Retail Load in the CHWM calculation was an NLSL or became an NLSL in FY 2023, then BPA shall adjust Ellensburg's CHWM by removing the FY 2023 load associated with the NLSL from Ellensburg's weather normalized Total Retail Load. BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM and its effective date. BPA shall provide Ellensburg written notice of the CHWM adjustment and its effective date, and will provide Ellensburg with a revised Exhibit B. In the event of an adjustment, and subject to any applicable statute of limitations, Ellensburg shall pay any charges calculated by BPA to account for the ineligible PF rate purchases dating back to October 1, 2028.

1.2.2 Annexed Load

If Ellensburg annexes load from a utility that has a CHWM Contract, then BPA shall increase Ellensburg's CHWM in an amount determined as follows:

- (1) If Ellensburg and the other utility involved in the annexation agree on the amount of the CHWM transfer to Ellensburg, then BPA shall adopt that amount if BPA determines such amount is reasonable.
- (2) If Ellensburg and the other utility cannot agree on the amount of the CHWM transfer to Ellensburg, or if BPA determines the amount agreed to in section 1.2.2(1) of this exhibit is unreasonable, then BPA shall calculate the amount of

Ellensburg’s CHWM transfer using the following formula; provided however that BPA may adjust the calculated amount to reflect (A) the division of Dedicated Resources between the utilities and (B) other pertinent information provided by Ellensburg and the other utility:

$$\left[\frac{\text{Annexed Load minus annexed NLSLs, if any}}{\text{Other utility's pre-annexation Total Retail Load minus total NLSLs, if any}} \right] \times \left[\text{Other utility's pre-annexation CHWM} \right]$$

In no event shall the total CHWM amount of Ellensburg and the other utility after the transfer exceed the total CHWM amount of Ellensburg and the other utility prior to the transfer.

BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM which will be effective on the date that Ellensburg begins service to the Annexed Load.

1.2.3 Ceded Load

If another utility with a CHWM Contract annexes load of Ellensburg, then BPA shall reduce Ellensburg’s CHWM in an amount determined as follows:

- (1) If Ellensburg and the other utility involved in the annexation agree on the amount of the CHWM transfer to the other utility, then BPA shall adopt that amount if BPA determines such amount is reasonable.
- (2) If Ellensburg and the other utility cannot agree on the amount of the CHWM transfer to the other utility, or if BPA determines the amount agreed to in section 1.2.3(1) of this exhibit is unreasonable, then BPA will calculate the amount of Ellensburg CHWM transfer using the following formula; provided however, BPA may adjust the calculated amount to reflect (A) the division of Dedicated Resources between the utilities and (B) other pertinent information advanced by Ellensburg and the other utility:

$$\left[\frac{\text{Annexed Load minus annexed NLSLs, if any}}{\text{Ellensburg's pre-annexation Total Retail Load minus total NLSLs, if any}} \right] \times \left[\text{Ellensburg's pre-annexation CHWM} \right]$$

In no event shall the total CHWM amount of Ellensburg and the other utility after the transfer exceed the total CHWM amount of Ellensburg and the other utility prior to the transfer.

BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM which will be effective on the date that the annexing utility begins service to the Annexed Load.

1.2.4 Court Order on Annexation

BPA shall adjust Ellensburg’s CHWM due to annexation if BPA’s Administrator determines that a court order requires BPA to do so. BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM and its effective date. BPA shall provide Ellensburg written notice of the CHWM adjustment and revised Exhibit B as soon as reasonably practical.

1.2.5 Small Utility Adjustment

BPA shall determine in its sole discretion whether Ellensburg qualifies for the Small Utility Adjustment. If Ellensburg is eligible for the Small Utility Adjustment, then BPA shall also determine Ellensburg’s Maximum Potential CHWM for purposes of this section 1.2.5. For purposes of this section 1.2.5, “Maximum Potential CHWM” means the lesser of: (1) double Ellensburg’s CHWM as calculated in the FY 2026 CHWM Calculation Process, or (2) 5 aMW. By September 30, 2026, BPA shall fill in the table below indicating such eligibility and Ellensburg’s Maximum Potential CHWM.

Eligible for Small Utility Adjustment	Maximum Potential CHWM

If Ellensburg is eligible for the Small Utility Adjustment as indicated above, then during each Above-CHWM Load Process BPA shall determine whether an adjustment is needed and calculate such adjustment as provided below. Any such adjustment would be added to Ellensburg’s CHWM.

- (1) BPA will determine whether Ellensburg’s Preliminary Net Requirement exceeds its CHWM.
- (2) If Ellensburg’s Preliminary Net Requirement is less than its CHWM, then BPA shall make no adjustment to Ellensburg’s CHWM.
- (3) If Ellensburg’s Preliminary Net Requirement exceeds its CHWM, then BPA shall calculate a CHWM adjustment in an amount equal to the difference between Ellensburg’s Preliminary Net Requirement and its CHWM not to exceed Ellensburg’s Maximum Potential CHWM stated above.
- (4) If a proposed CHWM adjustment under section 1.2.5(3) above would exceed Ellensburg’s Maximum Potential CHWM, then

BPA shall reduce such adjustment to an amount resulting in a CHWM that equals Ellensburg's Maximum Potential CHWM.

- (5) If Ellensburg's CHWM has been adjusted pursuant to section 1.2.5(4) above, then BPA shall make no additional change to Ellensburg's CHWM except as otherwise provided for in this Exhibit B.

For any Rate Period that BPA adjusts Ellensburg's CHWM pursuant to this section 1.2.5, BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM to be effective at the start of the next Rate Period. BPA shall provide Ellensburg written notice of the CHWM adjustment and revised Exhibit B. For purposes of the Tier 1 Marginal Energy True-Up rate, Ellensburg's CHWM shall be the Maximum Potential CHWM as stated above.

2. REVISIONS

BPA shall unilaterally revise this exhibit pursuant to section 1 of this exhibit. All other changes to this Exhibit B will be made by mutual agreement of the Parties.

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**Exhibit C
PURCHASE OBLIGATIONS**

1. FIRM REQUIREMENTS POWER AT TIER 1 RATES

The portion of Ellensburg’s purchase obligation that is priced at Tier 1 Rates is established in section 8.1(1) of the body of this Agreement.

2. FIRM REQUIREMENTS POWER AT TIER 2 RATES

2.1 One-Time Above-CHWM Load Service Elections

Pursuant to section 9.2 of the body of the Agreement, Ellensburg shall elect one of the following four options below to serve its Above-CHWM Load which shall apply for the term of the Agreement except when Ellensburg elects to change its Tier 2 Long-Term Rate purchase election amount pursuant to the terms and conditions of sections 2.3.2 and 2.3.3 of this exhibit.

BPA shall revise this exhibit by March 31, 2027, to indicate Ellensburg’s initial election and purchase obligation by adding an “X” to the box next to the applicable option below.

Initial Election (1) **Option A. All Tier 2 Long-Term Rate option**
 Ellensburg shall purchase and BPA shall serve all of Ellensburg’s Above-CHWM Load with Firm Requirements Power priced at the Tier 2 Long-Term Rate.

Initial Election (2) **Option B. Fixed Tier 2 Long-Term Rate option then flexible option**
 Ellensburg shall purchase and BPA shall provide up to a fixed Average Megawatt amount of Ellensburg’s Above-CHWM Load with Firm Requirements Power sold at the Tier 2 Long-Term Rate. Any remaining Above-CHWM Load will be served with: (1) Firm Requirements Power at the Tier 2 Short-Term Rate, (2) Firm Requirements Power at a Tier 2 Vintage Rate, if applicable, (3) Dedicated Resources, or (4) a combination of amounts of (1), (2) and (3).

At the time of election as stated in section 9.3 of the body of this Agreement, Ellensburg shall notify BPA of the fixed Average Megawatt amount of its Above-CHWM Load BPA will serve up to with Firm Requirements Power sold at a Tier 2 Long-Term Rate. BPA shall update the following table to state such amount.

Fixed aMW Amounts - Tier 2 Long-Term Election								
Fiscal Year	2029	2030	2031	2032	2033	2034	2035	2036
Annual aMW								
Fiscal Year	2037	2038	2039	2040	2041	2042	2043	2044
Annual aMW								
<u>Note:</u> The amount in the table should be rounded to three decimal places.								

Initial Election (3) **Option C. Fixed flexible option then Tier 2 Long-Term Rate option**

Ellensburg shall elect up to a fixed Average Megawatt amount of Above-CHWM Load that will be served with: (1) Firm Requirements Power at the Tier 2 Short-Term Rate, (2) Firm Requirements Power at a Tier 2 Vintage Rate, if applicable, (3) Dedicated Resources, or (4) a combination of amounts of (1), (2) and (3).

At the time of election, Ellensburg shall notify BPA of the fixed Average Megawatt amount of its Above-CHWM Load that will be served up to under the flexible option for the duration of the contract. BPA shall update the following table to state such amounts.

Ellensburg shall purchase and BPA shall serve any remaining Above-CHWM Load with Firm Requirements Power sold at the Tier 2 Long-Term Rate.

Fixed aMW Amounts - Flexible Election								
Fiscal Year	2029	2030	2031	2032	2033	2034	2035	2036
Annual aMW								
Fiscal Year	2037	2038	2039	2040	2041	2042	2043	2044
Annual aMW								

Note: the amount in the table should be rounded to three decimal places.

Initial Election (4) **Option D. All flexible option**
 Ellensburg's Above-CHWM Load shall be served with (1) Firm Requirements Power at the Tier 2 Short-Term Rate, (2) Firm Requirement Power at a Tier 2 Vintage Rate, if applicable, (3) Dedicated Resources, or (4) a combination of amounts of (1), (2) and (3).

If Ellensburg fails to notify BPA of its Above-CHWM Load service election pursuant to section 9.2 of the body of this Agreement, then Ellensburg shall be deemed to have elected option D under section 2.1 of this exhibit and Ellensburg shall serve all of its Above-CHWM Load amounts with the options stated in section 2.1(4) above.

Ellensburg's total Tier 2 Rate purchase obligation amount(s) that BPA shall provide and Ellensburg shall purchase consistent with sections 3.1 and 3.2 of the body of this Agreement shall be stated in the table below in section 2.9.

2.2 Rounding Option

If Ellensburg elects option B, C, or D under section 2.1 above, then by July 31, 2027, Ellensburg may elect to have BPA serve up to 0.999 aMW of its Above-CHWM Load through the Tier 1 Rate design, pursuant to the PRDM,

for the term of the Agreement. No later than March 31, 2028, BPA shall indicate Ellensburg’s election for all Rate Periods through the term of the Agreement in the table below.

By July 31 of each Forecast Year, Ellensburg may notify BPA if it wants to change its rounding option election, and BPA shall update the table below to reflect such change by March 31 following Ellensburg’s notification.

Rate Period	Rounding Option Elected
BP-29	
BP-31	
BP-33	
BP-35	
BP-37	
BP-39	
BP-41	
BP-43	
<u>Note:</u> Add X if customer elects rounding option.	

2.3 Tier 2 Long-Term Rate

2.3.1 Election Opportunity and Tier 2 Long-Term Rate Purchase Obligation Amount

Ellensburg may elect to purchase Firm Requirements Power at the Tier 2 Long-Term Rate to serve its Above-CHWM Load by selecting options A, B or C under section 2.1 of this exhibit. If Ellensburg elects option A, B or C, then BPA shall update the table below by March 31 of each Rate Case Year to state the amount of Firm Requirements Power Ellensburg is obligated to purchase at the Tier 2 Long-Term Rate for the upcoming Rate Period as follows.

If Ellensburg elects option A under section 2.1, then the amount of Firm Requirements Power Ellensburg is obligated to purchase at the Tier 2 Long-Term Rate shall equal Ellensburg’s Above-CHWM Load amount, calculated for each Fiscal Year of the applicable Rate Period, as stated in the table in this section 2.3.1.

If Ellensburg elects option B under section 2.1, then the amount of Firm Requirements Power Ellensburg is obligated to purchase at the Tier 2 Long-Term Rate shall be the lesser of Ellensburg’s Above-CHWM Load amount, calculated for each Fiscal Year of the applicable Rate Period, or the fixed Average Megawatt amount elected under the Tier 2 Long-Term option stated in the table in section 2.1(2) above.

If Ellensburg elects option C under section 2.1, then the amount of Firm Requirements Power Ellensburg is obligated to purchase at the Tier 2 Long-Term Rate shall equal the amount of Ellensburg's Above-CHWM Load, calculated for each Fiscal Year of the applicable Rate Period, that exceeds the fixed Average Megawatt amount to be served under the flexible option as stated in the table in section 2.1(3) above.

Tier 2 Long-Term Rate Purchase Obligation Amount								
Fiscal Year	2029	2030	2031	2032	2033	2034	2035	2036
Annual aMW								
Fiscal Year	2037	2038	2039	2040	2041	2042	2043	2044
Annual aMW								
<u>Note:</u> Fill in the table above with the annual Average Megawatts, rounded to three decimal places.								

2.3.2 Right to Reduce Tier 2 Long-Term Rate Election Amount Without a Fee

Ellensburg shall have a one-time right to request to reduce its Tier 2 Long-Term Rate election amount under options A, B, or C, without any charges or fees, if: (1) Ellensburg submits a written request to BPA prior to August 1, 2027, and (2) BPA has not acquired power for the purposes of serving Ellensburg's Tier 2 Long-Term Rate purchase obligation.

BPA, in its sole discretion, shall determine whether Ellensburg's request to reduce its Tier 2 Long-Term Rate election amount meets the notice requirements. BPA shall notify Ellensburg if the request does not meet the notice requirements.

If BPA determines that Ellensburg's request meets the notice requirements, then BPA shall reduce Ellensburg's Tier 2 Long-Term Rate election amount. By March 31, 2028, BPA shall: (1) update the applicable table(s) in section 2 of this exhibit with Ellensburg's updated Tier 2 Long-Term Rate election amount, and (2) update Ellensburg's election in section 2.1 if applicable.

2.3.3 Right to Reduce Tier 2 Long-Term Election Amount with a Fee

2.3.3.1 Changes to Tier 2 Long-Term Elections

Regardless of any reduction made pursuant to section 2.3.2 above, over the remaining term of the Agreement Ellensburg shall have a one-time right to reduce its Tier 2 Long-Term Rate election amount under section 2.1 above, including reducing such amount to zero.

2.3.3.2 Notification and Service Options

Ellensburg shall notify BPA in writing of its one-time election to reduce the amount of power Ellensburg is obligated to purchase under section 2.3.3.1 above no less than three years

prior to the start of the Rate Period that its election would be effective.

Ellensburg's election under section 2.3.3.1 above shall be binding for the remaining term of the Agreement.

If Ellensburg elects to reduce its Tier 2 Long-Term Rate election amount pursuant to section 2.3.3.1 above, then Ellensburg shall serve the amount of the reduction with: (1) Firm Requirements Power at the Tier 2 Short-Term Rate, (2) Firm Requirement Power at a Tier 2 Vintage Rate, if applicable, (3) Dedicated Resources, or (4) a combination of amounts of (1), (2) and (3).

Ellensburg shall notify BPA of its intent to serve its Above-CHWM Load with one of the four options listed in section 2.3.3.2 consistent with the terms and conditions stated in section 2 of Exhibit C.

2.3.3.3 Exhibit Updates

By March 31 following Ellensburg's election notice under section 2.3.3.2 above, BPA shall: (1) update the applicable table(s) in section 2 of this exhibit, with Ellensburg's updated Tier 2 Long-Term Rate election amount, and (2) update Ellensburg's election in section 2.1 of this exhibit. BPA will update Exhibit A with any changes to Ellensburg's Dedicated Resource amounts.

2.3.3.4 Charges to Change Tier 2 Long-Term Election Amount

Ellensburg shall pay any charges that apply as a result of Ellensburg exercising the one time right to change its Tier 2 Long-Term Rate election amount under this section 2.3.3. BPA shall calculate such charges pursuant to the PRDM and the applicable Power Rate Schedules and GRSPs. BPA shall not make payment to Ellensburg as a result of BPA reducing the fixed up to Average Megawatt amounts of Firm Requirements Power that Ellensburg is obligated to purchase at Tier 2 Long-Term Rates.

2.4 Tier 2 Short-Term Rate

Subject to the limitations in section 2.4.1 below, Ellensburg may elect to purchase Firm Requirements Power at Tier 2 Short-Term Rates by electing option B, C or D under section 2.1 above.

If Ellensburg elects options B, C or D, then by July 31, 2027, and by July 31 of each Forecast Year, Ellensburg shall notify BPA of the amount of its Above-CHWM Load it requests for BPA to serve, if any, at the Tier 2 Short-Term Rate for the following Rate Period. Subject to the limitations in section 2.4.2 below, BPA shall update the table below by March 31 of each

Rate Case Year to state the amount of power Ellensburg is obligated to purchase at the Tier 2 Short-Term Rate as follows.

If Ellensburg elects option B under section 2.1, then the amount of Firm Requirements Power Ellensburg may request to purchase at the Tier 2 Short-Term Rate shall not exceed the difference between Ellensburg’s Above-CHWM Load, calculated for each Fiscal Year of the applicable Rate Period, and the fixed Average Megawatt amount elected under the Tier 2 Long-Term option stated in the table in section 2.1(2) above.

If Ellensburg elects option C under section 2.1, then the amount of Firm Requirements Power Ellensburg may request to purchase at the Tier 2 Short-Term Rate, shall not exceed the lesser of Ellensburg’s Above-CHWM Load amount calculated for each Fiscal Year of the applicable Rate Period or the fixed up to Average Megawatt amount to be served under the flexible option as stated in the table in section 2.1(3) above.

If Ellensburg elects option D under section 2.1, then the amount of Firm Requirements Power Ellensburg may request to purchase at the Tier 2 Short-Term Rate, shall not exceed Ellensburg’s Above-CHWM Load amount, calculated for each Fiscal Year of the applicable Rate Period.

Tier 2 Short-Term Rate Purchase Obligation Amounts								
Fiscal Year	2029	2030	2031	2032	2033	2034	2035	2036
Annual aMW								
Fiscal Year	2037	2038	2039	2040	2041	2042	2043	2044
Annual aMW								
Note: Fill in the table above with annual Average Megawatts, rounded to three decimal places.								

2.4.1 Limitations on Tier 2 Short-Term Rate Amounts

BPA shall attempt to acquire power to serve Ellensburg’s total amount of load requested to be served with Firm Requirements Power at the Tier 2 Short-Term Rate. If BPA is unable to acquire power, at any price, and cannot meet all customers’ requests to purchase power at the Tier 2 Short-Term Rate, then each applicable Rate Period BPA:

- (1) shall notify Ellensburg of the unavailability of power at the Tier 2 Short-Term Rate and
 - (2) may limit the amount of Firm Requirements Power at the Tier 2 Short-Term Rate that Ellensburg can purchase.
- If BPA receives multiple requests to provide Firm Requirements Power at the Tier 2 Short-Term Rate for the same Rate Period, and if BPA is only able to acquire power to serve a portion of the total requests for power priced at the Tier 2 Short-Term Rate, then BPA shall proportionally reduce all requests for the Rate Period on a pro rata basis.

By March 31, 2028 and by March 31 of each Rate Case Year thereafter, BPA shall notify customers of the unavailability or pro-rata reduction of power available at the Tier 2 Short-Term Rate.

2.4.2 Determining Pro-Rata Shares of Amounts at Tier 2 Short-Term Rate

If necessary pursuant to section 2.4.1 above, BPA shall determine Ellensburg's pro-rata amount of power available for purchase at a Tier 2 Short-Term Rate for the applicable Rate Period based on (1) the actual amounts BPA is able to acquire to meet all customers' aggregate requests for service at a Tier 2 Short-Term Rate and (2) the total amount of Firm Requirements Power requested at the Tier 2 Short-Term Rate in section 2.4 each Rate Period. BPA will adjust individual amounts of Firm Requirements Power at the Tier 2 Short-Term Rate downward by the ratio between sections 2.4.2.(1) and 2.4.2.(2) above to calculate the amounts of the proportional share adjustment.

In the event BPA adjusts amounts at the Tier 2 Short-Term Rate downward, Ellensburg shall apply Dedicated Resources to serve the portion of its election at the Short-Term Tier 2 Rate that BPA is unable to supply. BPA will update amounts in Exhibit A in accordance with section 2.6 below.

2.4.3 Failure to Make an Election

If Ellensburg fails to make an election and does not notify BPA of its Tier 2 Short-Term Rate election amounts pursuant to section 2.4 above, then BPA shall enter "zero" for the applicable Fiscal Years of the Rate Period. Ellensburg shall serve its remaining Above-CHWM Load amounts with Dedicated Resources to meet its Above-CHWM Load and any amounts will be updated in Exhibit A in accordance with section 2.6 below.

2.4.4 Liability

In no event shall BPA make payment to Ellensburg as a result of Ellensburg electing to reduce the amounts of Firm Requirements Power that Ellensburg is obligated to purchase at Tier 2 Short-Term Rates. In no event shall BPA make payment to Ellensburg if it is unable to secure power to meet requests for purchases at the Tier 2 Short-Term Rate.

2.5 Tier 2 Vintage Rate Alternative

If Ellensburg elects option B, C, or D under section 2.1 above, then Ellensburg is eligible to purchase Firm Requirement Power at a Tier 2 Vintage Rate, if offered by BPA, as described in this section 2.5. For purposes of this section 2.5, "Vintage Resource" means the output of a physical resource that BPA determines, in its sole discretion, to acquire for a period of greater than three years and that forms the cost basis for pricing Firm Requirements Power subject to an established Tier 2 Vintage Rate. BPA may offer to sell Firm Requirements Power at a Tier 2 Vintage Rate whenever it acquires a Vintage Resource.

BPA shall notify customers with a CHWM Contract at least 60 calendar days prior to making a Request For Offer (RFO) for a Vintage Resource. Within 30 calendar days of such notice, Ellensburg shall notify BPA of the amount of Firm Requirements Power it will purchase from BPA at a Tier 2 Vintage Rate associated with the Vintage Resource.

Following the close of the RFO, BPA shall determine, in its sole discretion, whether to proceed with acquiring the Vintage Resource. If BPA decides to proceed with acquiring the Vintage Resource, then BPA will notify Ellensburg of the available quantity, if any, of Firm Requirement Power that customer is eligible to purchase at the Tier 2 Vintage Rate, and the estimated Tier 2 Vintage Rate. Ellensburg shall execute a Statement of Intent, as stated in section 2.5.1 below, to purchase identified amounts of Firm Requirements Power at the applicable Tier 2 Vintage Rate. The Statement of Intent will include the process and timing to elect the Vintage Alternative and execute a Statement of Intent.

2.5.1 Statement of Intent

If Ellensburg elects to purchase Firm Requirements Power from BPA at Tier 2 Vintage Rates, then Ellensburg shall sign a Statement of Intent provided by BPA which will state the amount of power Ellensburg commits to purchase at a Tier 2 Vintage Rate. The Statement of Intent will be binding unless BPA does not complete the acquisition of the Vintage Resource consistent with section 2.5.3 below.

2.5.2 Tier 2 Vintage Rate

BPA shall determine the applicable Tier 2 Vintage Rate in accordance with the PRDM and applicable Power Rate Schedules and GRSPs. BPA will restate in the Statement of Intent the applicable Tier 2 Vintage Rate for the Vintage Resource.

2.5.3 BPA Acquisition of Vintage Resource

If BPA acquires the Vintage Resource, then BPA shall notify Ellensburg that the acquisition is complete and update the table in section 2.5.8 below with the amount of Firm Requirements Power sold at a Tier 2 Vintage Rate and the contract number for the Statement of Intent. If BPA does not complete the acquisition of the Vintage Resource, then BPA shall notify Ellensburg, and the Statement of Intent will become null and void. If BPA does not complete the acquisition, then Ellensburg's current elections for service to its Above-CHWM Load above shall continue to apply.

2.5.4 Additional Provisions Applicable to the Statement of Intent

2.5.4.1 Additional Terms and Conditions in Statement of Intent

In addition to paying the Tier 2 Vintage Rate, Ellensburg will also be subject to such additional terms and conditions associated with its selection of the Tier 2 Vintage Rate as

described in the Statement of Intent. Such additional terms may include, but are not limited to, liquidated damages, if applicable, associated with the purchase of the Vintage Resource.

2.5.4.2 Duration of Statement of Intent

The Tier 2 Vintage Resource amounts applied to serve Ellensburg's Above-CHWM Load under this Agreement will not apply beyond the expiration of this Agreement, except as stated in the Statement of Intent.

2.5.4.3 Maximum Amount of Firm Requirements Power at Tier 2 Vintage Rate

The maximum amount of Firm Requirements Power Ellensburg is eligible to purchase at a Tier 2 Vintage Rate will be equal to the annual maximum forecast of Ellensburg's flexible Above-CHWM Load amounts of Ellensburg's election under section 2.1, minus any Dedicated Resources serving Ellensburg's Above-CHWM Load. BPA will develop the annual maximum forecast of Ellensburg's flexible Above-CHWM Load amounts at the time BPA issues the RFO for the Vintage Resource. Such forecast shall apply for the term of BPA's acquisition of the Vintage Resource or the term of this Agreement, whichever terminates first.

2.5.4.4 Commencement of the Vintage Resource

Ellensburg's Statement of Intent shall include procedures for how BPA will address the availability and timing of a Vintage Resource, if the timing of such Vintage Resource is not concurrent with the timing of any elections made by Ellensburg in sections 2.1 and 2.4 of this exhibit.

2.5.5. Multiple Requests for Vintage Resource

Ellensburg's Statement of Intent shall include procedures for how BPA will address multiple requests for Firm Requirements Power sold by BPA at a Tier 2 Vintage Rate if the aggregate amount of customer requests exceeds the amount of the Vintage Resource.

2.5.6 Tier 2 Vintage Amounts in Excess of Above-CHWM Load

If Ellensburg purchases an amount of power from BPA at a Tier 2 Vintage Rate that exceeds its current Above-CHWM Load, then BPA, in its sole discretion, may either:

- (1) determine any amount of power that exceeds Ellensburg's Above-CHWM Load as surplus power and provide such to Ellensburg at a surplus rate equivalent to the applicable Tier 2 Vintage Rate to be managed by Ellensburg; or

- (2) in accordance with section 10 of this exhibit, and pursuant to the PRDM, provide a remarketing service for the power that exceeds Ellensburg’s Above-CHWM Load until Ellensburg’s Above-CHWM Load can accommodate the contracted amount of power purchased at the Tier 2 Vintage Rate.

2.5.7 Treatment of Tier 2 Vintage Rate and Tier 2 Short-Term Rate Purchase Obligations

In addition to the right to purchase power at a Tier 2 Vintage Rate established in this section 2.5, Ellensburg may have the opportunity to purchase Firm Requirements Power at Tier 2 Vintage Rates regardless of whether Ellensburg is purchasing power at Tier 2 Short-Term Rates, if BPA determines, in its sole discretion, to offer Ellensburg a Statement of Intent that would provide Ellensburg the opportunity to purchase Firm Requirements Power at Tier 2 Vintage Rates.

Any election by Ellensburg to purchase Firm Requirements Power at Tier 2 Vintage Rates shall not relieve Ellensburg of any obligation to purchase Firm Requirements Power at another Tier 2 Rate.

Any amounts of power that Ellensburg is obligated to purchase at a Tier 2 Vintage Rate or Tier 2 Short-Term Rate that exceeds its Above-CHWM Load will be treated pursuant to section 2.5.6 above.

2.5.8 Tier 2 Vintage Rate Elections, Amounts and Exhibit Updates

If applicable, BPA shall update the table below within 90 calendar days of signing the Statement of Intent, with Ellensburg’s Tier 2 Vintage Rate purchase obligation amounts.

Ellensburg’s Annual Amounts at Tier 2 Vintage Rate. Statement of Intent Contract No. «##PS-#####»								
Fiscal Year	2029	2030	2031	2032	2033	2034	2035	2036
Annual aMW								
Fiscal Year	2037	2038	2039	2040	2041	2042	2043	2044
Annual aMW								
<u>Note:</u> Fill in the table above with annual Average Megawatts, rounded to three decimal places. Leave FY blank when not purchasing at a Tier 2 Vintage Rate. Include SOI number(s) in table title.								

By September 15 of each Fiscal Year or immediately following the establishment of a Tier 2 Vintage Rate for which Ellensburg signed a Statement of Intent, BPA shall update the table in section 2.8.2 with Ellensburg’s Tier 2 Vintage Rate purchase obligation amounts.

2.6 Obligation to Apply Dedicated Resources

Ellensburg shall apply Dedicated Resources to serve the portion of its Above-CHWM Load that exceeds the sum of all Ellensburg’s purchase obligations at

Tier 2 Rates under sections 2.3, 2.4, and 2.5 above. BPA shall add Ellensburg’s Dedicated Resources to section 2 and section 3 of Exhibit A.

2.7 Above-CHWM Load Liability

If Ellensburg annexes load from another customer with a CHWM Contract that had Above-CHWM Load served with Firm Requirements Power purchased at a Tier 2 Long-Term Rates, Tier 2 Short-Term Rate or a Tier 2 Vintage Rate, then Ellensburg shall pay any costs that BPA determines apply as a result of such annexation. BPA shall determine such costs, if any, during the 7(i) Process that follows Ellensburg’s notice of annexation. BPA shall include such cost identified through the 7(i) Process on Ellensburg’s bill. In no event shall BPA make payment to Ellensburg as a result of Ellensburg reducing its amounts of Firm Requirements Power.

2.8 This section intentionally left blank.

2.9 Amounts of Power to be Billed at Tier 2 Rates

By March 31, 2028 and by March 31 of each Rate Case Year thereafter, BPA shall update the table in section 2.9 of this exhibit, consistent with Ellensburg’s elections for the upcoming Rate Period, with: (1) the planned annual average amounts of Firm Requirements Power that Ellensburg shall purchase at the Tier 2 Long-Term Rate, Tier 2 Short-Term Rate, and Tier 2 Vintage Rate, if applicable, and (2) any remarketed Tier 2 Rate purchase amounts in accordance with section 10 of the body of this Agreement.

By March 31, 2028, and by March 31 of each Rate Case Year thereafter, BPA shall update the table below with such amounts for each year of the upcoming Rate Period consistent with sections 2.3, 2.4 and 2.5 of this exhibit. The difference between Above-CHWM Load and Tier 2 Rate amounts will be served pursuant to section 2.6 of this exhibit.

Annual Amounts Priced at Tier 2 Rates (aMW)								
Fiscal Year	2029	2030	2031	2032	2033	2034	2035	2036
No Tier 2 at this time								
Remarketed or Surplus Power Vintage Rate Amounts								
Firm Requirements Power at Tier 2 Rates								

Annual Amounts Priced at Tier 2 Rates (aMW)								
Fiscal Year	2037	2038	2039	2040	2041	2042	2043	2044
No Tier 2 at this time								
Remarketed or Surplus Power Vintage Rate Amounts								
Firm Requirements Power at Tier 2 Rates								
<p><u>Notes:</u></p> <p>1. List each applicable Tier 2 rate in the table above. For the first applicable Tier 2 rate replace No Tier 2 at this time with the name of the applicable Tier 2 rate. For each additional Tier 2 rate, add a new row above the Remarketed Amounts row. If Ellensburg elects not to purchase at Tier 2 rates, then leave No Tier 2 at this time in the table and leave the remainder of the table blank.</p> <p>2. Fill in the table above with annual Average Megawatts rounded to three decimal places.</p> <p>3. Fill in Firm Requirements Power at Tier 2 Rates as the sum of all Tier 2 Rate amounts less any Remarketed or Surplus Tier 2 Vintage Rate amounts.</p>								

3. REVISIONS

BPA shall unilaterally revise this exhibit to reflect: (1) Ellensburg’s elections regarding service to its Above-CHWM Load, and (2) BPA’s determinations relevant to this exhibit and made in accordance with this Agreement. All other changes to this Exhibit C will be made by mutual agreement of the Parties.

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Exhibit D
ADDITIONAL PRODUCTS AND SPECIAL PROVISIONS

1. CF/CT AND NEW LARGE SINGLE LOADS

1.1 CF/CT Loads

Ellensburg has no loads identified that were CF/CTs as of September 1, 1979, as defined in Section 3(13)(A) of the Northwest Power Act.

1.2 Potential NLSLs

Ellensburg has no identified Potential NLSLs.

1.3 Planned NLSLs

1.3.1 Planned NLSLs Served by BPA

Ellensburg has no Planned NLSLs served by BPA.

1.3.2 Planned NLSLs Served with Dedicated Resource or Consumer-Owned Resource Amounts

Ellensburg has no Planned NLSLs served with Dedicated Resource or Consumer-Owned Resource amounts.

1.4 NLSLs

1.4.1 NLSLs Served by BPA

Ellensburg has no NLSLs served by BPA.

1.4.2 NLSLs Served by Dedicated Resource or Consumer-Owned Resource Amounts

Ellensburg has no NLSLs served with Dedicated Resource or Consumer-Owned Resource amounts.

1.4.3 Renewable Resource/Cogeneration Exception

Ellensburg's end-use consumer is not currently applying an on-site renewable resource or cogeneration facility to an NLSL.

2. REVISIONS

BPA shall unilaterally revise section 1, CF/CT and New Large Single Loads to reflect BPA's determinations made in accordance with section 20.3 of the body of the Agreement and section 1 of this Exhibit D. All other changes to this Exhibit D will be made by mutual agreement of the Parties.

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**Exhibit E
METERING**

1. METERING

BPA POD Name	BPA POD Number	BPA POM Name	BPA POM Number	POD Location Description	POD Voltage kV	POM Location Description	Direction for PF Billing Purposes	WECC Balancing Authority	Manner Of Service	Manner Of Service Description	Metering Loss Adjustment	Exception

2. REVISIONS

Each Party shall notify the other with any requests to update this exhibit. The Parties shall coordinate and seek mutual agreement on any such requested exhibit revisions. Upon such agreement, or if the agreement is unreasonably withheld or delayed, BPA shall revise this exhibit to accurately reflect what BPA determines are the actual characteristics of PODs and meter information described in this exhibit. Unless the Parties otherwise agree, BPA shall not revise the exhibit any sooner than 60 calendar days after the request to update this exhibit. BPA shall provide Ellensburg with a revised Exhibit E. The effective date will be the date stated at the top of the revised exhibit.

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Exhibit F SCHEDULING

1. DEFINITIONS

- 1.1 “Balancing Authority” means the responsible entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.
- 1.2 “Balancing Authority Area” means the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.
- 1.3 “Electronic Tag” or “E-Tag” means an electronic record that contains the details of a transaction to transfer energy from a source point to a sink point where the energy is scheduled for transmission across one or more Balancing Authority Area(s), consistent with all relevant WECC, NAESB, NERC and FERC requirements.
- 1.4 “Heavy Load Hours” or “HLH” means hours ending 0700 through 2200 hours Pacific Prevailing Time (PPT), Monday through Saturday, excluding holidays as designated by the North American Electric Reliability Corporation (NERC).
- 1.5 “Interchange Points” means the points where Balancing Authority Areas interconnect and at which the interchange of energy between Balancing Authority Areas is monitored and measured.
- 1.6 “Light Load Hours” or “LLH” means: (1) hours ending 0100 through 0600 and 2300 through 2400 hours PPT, Monday through Saturday, and (2) all hours on Sundays and holidays as designated by NERC.
- 1.7 “Open Access Transmission Tariff” or “OATT” means the terms and conditions of point-to-point and network integration transmission services, ancillary services, and generator interconnections offered by BPA or a Third-Party Transmission Provider.
- 1.8 “Transmission Curtailment” means an event that is initiated by a transmission provider through a curtailment to the E-Tag as a result of transmission congestion or an outage on the path used to deliver Ellensburg’s Dedicated Resource.
- 1.9 “Transmission Curtailment Management Service” or “TCMS” means the service BPA will provide to customers with a qualifying resource when a Transmission Curtailment occurs between such resource and the customer load.

- 1.10 “Transmission Event” means a Planned Transmission Outage or a Transmission Curtailment.
- 1.11 “Transmission Scheduling Service” or “TSS” means the power scheduling service that BPA provides to Ellensburg that allows BPA to manage certain aspects of Ellensburg’s BPA NT Agreement with Transmission Services, to allow BPA to use the inherent flexibilities of Ellensburg’s network rights in combination with other network customers’ rights to manage BPA’s power resources efficiently, and to provide seamless scheduling for Transfer Service customers.

2. TRANSMISSION SCHEDULING SERVICE

If Ellensburg:

- (1) acquires BPA’s Resource Support Services; and/or
- (2) purchases power from BPA at a Tier 2 Rate,

then Power Services shall provide and Ellensburg shall purchase Transmission Scheduling Service. In such case, the Parties shall revise this exhibit to include the terms and conditions of such service.

If Ellensburg is not required to purchase Transmission Scheduling Service, pursuant to the paragraph above, then Ellensburg, with six months’ notice, may purchase Transmission Scheduling Service from Power Services and the Parties shall modify this exhibit to add the terms and conditions of such service.

3. AFTER THE FACT

BPA and Ellensburg shall reconcile all transactions, schedules and accounts at the end of each month (as early as possible within the first ten calendar days of the next month). BPA and Ellensburg shall verify all transactions pursuant to this Agreement as to product or type of service, hourly amounts, daily and monthly totals, and related charges.

4. REVISIONS

BPA may unilaterally revise this exhibit:

- (1) to implement changes that BPA determines are reasonably necessary to allow it to meet its power and scheduling obligations under this Agreement, or
- (2) to comply with requirements of Western Electricity Coordinating Council (WECC), North American Energy Standards Board (NAESB), or NERC, WRAP or their successors or assigns.

BPA shall provide a draft of any unilateral revisions of this exhibit to Ellensburg, with reasonable time for comment, prior to BPA providing written notice of the revision. Such revisions will be effective no sooner than 45 calendar days after BPA provides written notice of the revisions to Ellensburg unless, in BPA’s sole

judgment, less notice is necessary to comply with an emergency change to the requirements of WECC, NAESB, NERC, WRAP or their successors or assigns. In such circumstances, BPA shall specify the effective date of such revisions.

All other changes to this Exhibit F will be made by mutual agreement of the Parties.

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Exhibit G
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Exhibit H
RENEWABLE ENERGY CERTIFICATES AND ENVIRONMENTAL ATTRIBUTES

1. PURPOSE AND INTENT; DISCLAIMER

The Parties acknowledge that: different jurisdictions, regulatory programs, and entities (federal, state, county, cities, and others) have different definitions for environmental attributes, renewable energy credits/certificates, emissions credits, and similar instruments; the various jurisdictions, programs, and entities are inconsistent in how they define and address these concepts; and these concepts are continually evolving. Accordingly, through this Agreement BPA does not attempt to define these concepts other than by reference to how they may be defined by others, and BPA does not represent or warrant that the items conveyed in this Exhibit H are suitable for a particular purpose or regulatory program. Whatever the regulatorily-defined environmental and non-power characteristics are of the power that customers buy from BPA, the purpose and intent of this Exhibit H is to convey to Ellensburg, in accordance with this Exhibit H, all Environmental Attributes, if any, and to the extent they exist, associated and commensurate with the physical amount of power Ellensburg buys from BPA and the Attribute Pools associated with Ellensburg's purchase obligation under this Agreement. This Exhibit H accomplishes this by BPA: (1) agreeing to register applicable generation, (2) providing for the creation of an Environmental Attribute Accounting Process, (3) producing Inventories of RECs based on power generated, (4) committing to transfer Ellensburg's share of RECs based on its BPA power purchases and as determined in accordance with this Exhibit H to Ellensburg, (5) committing to provide an emissions accounting and non-emitting generation accounting for customers' use, and (6) undertaking the other actions identified in this exhibit below.

2. DEFINITIONS

- 2.1 "Attribute Pools" means the results calculated in the Environmental Attribute Accounting Process whereby the physical resources and forecasted power deliveries associated with each of BPA's rates and firm power obligations are determined for the upcoming Rate Period.
- 2.2 "Emissions Allowance" means an authorization in a given jurisdiction to emit a specified amount of carbon dioxide equivalent or other measurement of greenhouse gases, and documented as an emissions credit, certificate, or similar instrument.
- 2.3 "Environmental Attribute Accounting Process" means the public process BPA will conduct each Rate Case Year, after the conclusion of each routine power rate 7(i) Process, during which the allocation methodology and Attribute Pools for BPA's Environmental Attributes for the upcoming Rate Period will be determined.
- 2.4 "Environmental Attributes" means the environmental and non-power characteristics of power, however defined or titled and arising under any federal, state, or local law or regulation, including but not limited to current

or future certificates, credits, benefits, and avoided emissions attributable to the generation of energy from a resource. Environmental Attributes do not include the tax credits associated with such resource. One megawatt-hour of energy generation from a resource is associated with one megawatt-hour of Environmental Attributes.

- 2.5 “Inventory” or “Inventories” means the Environmental Attributes, including RECs, that are attributable to the output of generation resources, by Attribute Pool(s).
- 2.6 “Renewable Energy Certificates” or “Renewable Energy Credits” or “RECs” means the tradeable certificates, credits, documentation, or other evidence that demonstrates: (1) that the electricity was generated from a renewable or non-emitting energy generating unit and (2) proof of ownership of the Environmental Attributes of such generated electricity in a REC tracking system. Some jurisdictions and regulatory programs may interpret a REC to include the emissions avoided by the generation of electricity by a renewable or non-emitting generating unit. For purposes of such situations, the Parties’ intent is that the RECs conveyed herein include the associated Environmental Attributes; however, this conveyance is not intended to impact BPA’s reporting in any generation-based emission programs where REC retirement is not required. One megawatt-hour of energy generation from a resource registered with the tracking system under section 5 is associated with one REC.
- 2.7 “Retire” or “Retirement” means an action taken to remove a REC from circulation within a REC tracking system.

3. ENVIRONMENTAL ATTRIBUTE INVENTORY AND ACCOUNTING

The Parties acknowledge that the Environmental Attribute accounting outlined below will be provided consistent with physical deliveries of power.

3.1 Registration of Renewable Energy Generating Units

BPA shall take all reasonable steps to register the applicable renewable energy generating units in BPA’s system mix, including any hydro resources, with the tracking system selected under section 5 of this Exhibit H.

3.2 Environmental Attribute Accounting Process

Starting after issuance of the Final ROD of the BP-29 power rate 7(i) Process, and after the issuance of the Final ROD in each subsequent routine power rate 7(i) Process thereafter through the term of the Agreement, BPA shall conduct an Environmental Attribute Accounting Process for each upcoming Rate Period.

3.3 REC Inventory Accounting

No later than April 15, 2030, and by each April 15 over the remaining term of this Agreement, BPA shall calculate its Inventory for RECs for each Attribute Pool created during the prior calendar year in the applicable Environmental Attribute Accounting Process for the applicable Rate Period.

3.4 Emission Accounting

No later than June 1, 2029 and by each June 1 thereafter, and as an outcome of the Environmental Attribute Accounting Process, BPA will provide emission accounting information and, if applicable, will provide such information consistent with state rules.

3.5 Non-Emitting Electric Generation Accounting

No later than June 1, 2029 and by each June 1 thereafter, and as an outcome of the Environmental Attribute Accounting Process, BPA will provide non-emitting electric generation accounting information and, if applicable, will provide such information consistent with state rules.

4. CUSTOMER'S SHARE OF RECS

All capitalized terms used in this paragraph and the related underlying processes described in this paragraph shall be as defined, determined and calculated under Ellensburg's Regional Dialogue CHWM Contract. By April 15, 2029, BPA shall transfer to Ellensburg or manage a pro rata share of Available Tier 1 RECs from calendar year 2028 based on Ellensburg's FY 2028 RHWM divided by the total FY 2028 RHWMs of all customers with Regional Dialogue CHWM Contracts. BPA shall also transfer to Ellensburg its share of Tier 2 RECs, if applicable, generated during calendar year 2028. Ellensburg agrees that its REC transfer or management election (WREGIS account, WREGIS subaccount, or remarketing) for Fiscal Year 2028 shall apply for all calendar year 2028.

By April 15, 2030, and by each April 15 over the remaining term of this Agreement, BPA shall determine Ellensburg's share of RECs as a pro rata share of the actual megawatt-hours of power Ellensburg purchased from BPA the prior calendar year under this Agreement. Ellensburg's pro rata share of each Inventory of RECs shall be calculated as the actual megawatt hours of power Ellensburg purchased from BPA under this Agreement during the prior calendar year from the applicable Attribute Pool divided by the sum of all power purchased from BPA for the applicable Attribute Pool.

5. TRANSFER AND TRACKING OF RECS

By December 1, 2029, Ellensburg shall provide written notice to BPA stating which one of the three options below it elects for the transfer of Ellensburg's share of RECs, for the remaining term of the Agreement. However, Ellensburg may change its transfer election for the remaining term of the Agreement by providing written notice to BPA of such change by December 1, 2030 or by any December 1 over the remaining term of the Agreement.

- (1) BPA shall transfer Ellensburg's share of RECs into Ellensburg's own Western Renewable Energy Generation Information System (WREGIS) account, which shall be established by Ellensburg; or
- (2) BPA shall transfer Ellensburg's share of RECs into a BPA-managed WREGIS subaccount. Such subaccount shall be established by BPA on Ellensburg's

behalf and the terms and conditions of which shall be determined by the Parties in a separate agreement; or

- (3) BPA shall transfer Ellensburg's share of RECs into a third party-managed WREGIS account. Ellensburg shall notify BPA of the third-party WREGIS account number in its notice provided pursuant to this section 5.

By April 15, 2030, and by each April 15 over the remaining term of this Agreement, BPA shall transfer Ellensburg's share of RECs from the prior calendar year to Ellensburg via WREGIS in accordance with its transfer election.

If Ellensburg's WREGIS account number has changed, then Ellensburg shall notify BPA of such change by December 1, 2028 and by each December 1 over the remaining term of this Agreement.

All references to WREGIS in this Exhibit H should be understood to mean WREGIS or a comparable commercial tracking system. BPA may change commercial tracking systems with reasonable advance notice to Ellensburg. In such case, the Parties shall establish a comparable process for BPA to provide Ellensburg its share of RECs.

6. FEES

BPA shall pay any reasonable fees associated with: (1) the transfer of Ellensburg's RECs into any WREGIS account or WREGIS subaccount and (2) the establishment of any WREGIS subaccounts in Ellensburg's name pursuant to section 5 of this exhibit. Ellensburg shall pay all other fees associated with any WREGIS or successor commercial tracking system, including WREGIS Retirement, reserve, and export fees.

7. EMISSION ALLOWANCES

7.1 BPA Compliance with Emission Allowance Program(s)

If over the term of this Agreement BPA incurs an emissions compliance obligation placed on electricity importers that provide power to Ellensburg's service territory, and if based on that compliance program:

- (1) BPA is obligated to obtain Emission Allowances sufficient to cover power purchased under this Agreement to Ellensburg, and
- (2) Ellensburg is eligible to receive Emission Allowances at no cost from Ellensburg's applicable jurisdiction and which can be used directly for compliance,

then Ellensburg shall transfer, or otherwise provide, Emission Allowances to BPA on the schedule and in the amount agreed to by BPA and Ellensburg that is sufficient to satisfy BPA's compliance obligations that arise in order to serve Ellensburg's load in its state.

The Parties shall revise section 7.2 below to include the specific terms and conditions, such as the calculation of the Emission Allowances to be transferred, and cost responsibilities, if any, associated with the transfer of Emission Allowances to BPA.

If Ellensburg elects to not revise this Exhibit H to include applicable special provisions in section 7.2 below, then BPA shall apply and Ellensburg shall pay the applicable Emissions Allowance costs through charges established in the BPA Power Rate Schedules and GRSPs.

7.2 Transfer of Emission Allowances to BPA

Placeholder for special provisions.

8. REVISIONS

BPA may unilaterally revise this exhibit:

- (1) to add or remove the terms and conditions of Ellensburg's WREGIS subaccount following either Ellensburg's election of a WREGIS subaccount pursuant to section 5 of this exhibit or either Party's notice for termination of a WREGIS subaccount; and
- (2) to incorporate any significant edits related to a change to the commercial tracking system, pursuant to the last paragraph of section 5 of this exhibit.

All other changes to this Exhibit H will be made by mutual agreement of the Parties. As discussed in section 1 of this exhibit, BPA and Ellensburg acknowledge that the regulatory concepts covered in this exhibit are not well settled and are continually evolving. Accordingly, if future regulatory concepts change such that the spirit and intent of this exhibit are not being met, then BPA agrees to discuss such situations with customers and, as needed, to attempt in good faith to agree on mutually acceptable amendments to this exhibit.

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Exhibit I
NOTICES AND CONTACT INFORMATION

1. NOTICES AND CONTACT INFORMATION

1.1 Notices

Any notice required under this Agreement that requires such notice to be provided under the terms of this section shall be provided in writing to the other Party in one of the following ways:

- (1) delivered in person;
- (2) by a nationally recognized delivery service with proof of receipt;
- (3) by United States Certified Mail with return receipt requested;
- (4) electronically, with verification of the electronic notice's origin, date, time of transmittal and receipt; or
- (5) by another method agreed to by the Parties.

Notices are effective when received.

1.2 Contact Information

The Parties shall deliver notices to the following people and address(es):

If to Ellensburg:

City of Ellensburg
501 N Anderson Street
Ellensburg, WA 98926-3147
Attn: Buddy Stanavich
Energy Services Director
Phone: (509) 962-7225
E-Mail:
stanavichm@ci.ellensburg.was.us

If to BPA:

Bonneville Power Administration
1620 E Hawthorne Road
PO Box 789
Mead, WA 99021
Attn: Hope Ross-PSE-MEAD-GOB
Account Executive
Phone: (509) 822-4590
E-Mail: heross@bpa.gov

Additional BPA Contact:

Bonneville Power Administration
1620 E Hawthorne Rod
PO Box 789
Mead, WA 99021
Attn: Mary Beth Evans –
PSE-MEAD-GOB
Eastern Power
Customer Services Manager
Phone: (509) 822-4584
E-Mail: mbevans@bpa.gov

2. OPERATIONAL CONTACT INFORMATION

As applicable, the Parties shall notify the following people using the following methods for operations related to this Agreement, including scheduling:

If to Ellensburg:

Not Applicable

Or another mutually agreed upon form of notification.

If to BPA:

Preschedule

E-Mail: PBLPresched@bpa.gov

Real Time: See E-Tag for contact

Or another mutually agreed upon form of notification.

3. REVISIONS

Each Party shall notify the other Party of changes to their contact information above. After such notice, BPA may unilaterally revise section 1.2 and section 2 of this exhibit to reflect such changes to the Parties' contact information. All other changes to this Exhibit I will be made by mutual agreement of the Parties.

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Exhibit J
SUPPORT SERVICES; ADDITIONAL RESOURCE AND ENERGY STORAGE
DEVICE REQUIREMENTS

1. CUSTOMER RESOURCE ELECTIONS AND REQUIREMENTS SUMMARY

Elected Services by Resource				Resource Services and Requirements		
Resource Name	TSS Election		Applied to Tier 1 Allowance Amount	RSS Elections	Requires E-Tag	Flexible Resource Requirements
	TSS-Full	TSS-Partial				

2. TIER 1 ALLOWANCE AMOUNT

Ellensburg’s total amount of Specified Resources that are applied to the Tier 1 Allowance Amount, as identified in section 2.1 of Exhibit A, are stated below. BPA shall calculate the Tier 1 Allowance Amount limit in accordance with section 3.5.2 of the body of this Agreement. If Ellensburg’s CHWM changes, then BPA shall revise the Tier 1 Allowance Amount and Tier 1 Allowance Amount limit in the table below in accordance with section 3.5.2 of the body of this Agreement.

Tier 1 Allowance Amount (MW)	Tier 1 Allowance Amount Limit (MW)

3. RESOURCE SUPPORT SERVICES

3.1 BPA shall develop Support Services consisting of RSS and other Support Services to support eligible Dedicated Resources listed in section 2 and 3 of Exhibit A and eligible Consumer Owned Resources Serving On-site Consumer Load listed in section 7 of Exhibit A.

RSS may include, but are not limited to, providing forced outage services, services for generation that produces secondary energy, or services to support variable generation. Other Support Services may include, but are not limited to, scheduling services and curtailment management services. BPA shall offer an amendment to this Agreement with RSS and other Support Services contract provisions by July 31, 2026. Prior to that date, BPA shall provide Ellensburg a reasonable opportunity to provide input into the development or refinement of Support Services and the related contract provisions. BPA shall make RSS and other Support Services available starting in FY 2029.

3.2 If Ellensburg adds a New Resource to meet its obligations to serve Above-CHWM Load, consistent with the notice requirements in section 3.5.1 of the body of this Agreement, then Ellensburg may purchase RSS or a combination of RSS and other Support Services from BPA to support such resource.

4. **EXISTING DISPATCHABLE RESOURCE CAPACITY SHAPING REQUIREMENTS**

Ellensburg does not have any Existing Resources that are Dispatchable Resources.

5. **RESOURCE ADEQUACY REQUIREMENTS AND SUBMITTALS**

BPA acknowledges that the resource adequacy compliance requirements in this section 5 of Exhibit J are evolving. Accordingly, if future requirements change such that the intent of this section 5 is not being met, then BPA agrees to discuss such situations with customers and develop revisions to this section 5. In accordance with sections 17 and 22 of the body of the Agreement, the following shall apply.

5.1 **Resource Adequacy Submittals for Dedicated Resources and Consumer-Owned Resources Serving On-Site Consumer Load**

5.1.1 For all Ellensburg’s Dedicated Resources and Consumer-Owned Resources serving On-Site Consumer Load, Ellensburg shall submit to BPA the QCC values and JCAF(s) for the Generating Resource(s) Ellensburg will provide to meet its Dedicated Resource and Consumer-Owned Resource serving On-Site Consumer Load amounts for any Fiscal Year as follows.

For the winter WRAP season shown in the table below, such submittal shall be by November 1 prior to the Fiscal Year in which Ellensburg has a Dedicated Resource or Consumer-Owned Resource serving On-Site Consumer Load amount.

For the summer WRAP season shown in the table below, such submittal shall be by June 1 prior to the Fiscal Year in which Ellensburg has a Dedicated Resource or Consumer-Owned Resource serving On-Site Consumer Load amount.

WRAP Seasons	
Summer	June - September
Winter	November – March

5.1.2 Beginning October 1 immediately preceding the start of the winter season in which Ellensburg has a Dedicated Resource or Consumer-Owned Resource serving On-Site Consumer Load amount, and beginning May 1 immediately preceding the start of the summer season in which Ellensburg has a Dedicated Resources or Consumer-Owned Resource serving On-Site Consumer Load amount, Ellensburg shall submit a generation schedule for such Generating Resource(s), in hourly amounts, no later than one month in advance of each operating day. Such generation schedule can be for each hour of the entire WRAP summer or winter season or for each hour of each individual future day of the season.

- 5.1.3 On each preschedule day of the applicable WRAP season, Ellensburg shall submit a generation schedule for the Generating Resource(s) Ellensburg will provide to meet its Dedicated Resource and Consumer-Owned Resource serving On-Site Consumer Load amounts, as applicable, in hourly amounts for the day of delivery.
- 5.1.4 If BPA determines that Ellensburg does not need to provide certain information required in sections 5.1.1, 5.1.2, and 5.1.3 above, then BPA shall revise the table below to list any resources and information that Ellensburg does not need to provide.

Resource Name	Resource and Information Exemptions

5.2 Resource Adequacy Services

Unless a self-supply option is available and elected by Ellensburg, Ellensburg shall purchase Support Services for the following resources for resource adequacy planning purposes: (1) New Resource amounts serving Above-CHWM Load and (2) Consumer-Owned Resources serving On-Site Consumer Load except for those listed in section 7.4 of Exhibit A, in accordance with the applicable Power Rate Schedules and GRSPs.

Ellensburg shall be responsible for any resource adequacy-related planning obligations for any Planned NLSL or NLSL served by Dedicated Resource amounts or Consumer-Owned Resources listed in section 7.4 of Exhibit A.

5.3 WRAP Load Exclusions

- 5.3.1 By July 31, 2027, and by July 31 of each Forecast Year thereafter, Ellensburg may request that BPA allow a load exclusion. Upon receipt of such request, BPA will analyze Ellensburg’s request, including impacts to BPA’s ability to maintain resource adequacy and reliability, and any potential cost shifts to BPA and other BPA customers. In its sole discretion, BPA may: (1) allow a requested load exclusion, (2) allow a requested load exclusion subject to conditions designed to offset any negative impacts the requested load exclusion may have on the reliability of the power system or to share costs; or (3) decline a requested load exclusion.

By October 15 of the Rate Case Year following the request, BPA shall provide Ellensburg notice of its decision regarding the requested load exclusion, including a summary of its analysis and any conditions. By January 31 of that Rate Case Year, the Parties shall revise section 5.3.2 of this exhibit to state the terms and conditions of any allowed load exclusion. Such load exclusions will be effective on October 1 following the Exhibit J revision and shall remain in effect for the duration of that Rate Period. If the Parties do not revise Exhibit J pursuant to this section by January 31 of the applicable

Rate Case Year, then BPA shall not allow the requested load exclusion for the upcoming Rate Period.

5.3.2 Ellensburg does not have a WRAP load exclusion at this time.

5.4 Submittal Method

No later than October 1, 2027, and in accordance with section 22.1.1 of the body of this Agreement, BPA shall update this section 5.4, and section 2 of Exhibit I as applicable, with BPA’s preferred mode of communication for WRAP-related information.

5.5 Pass-through Charges

Pursuant to section 22.2 of the body of this Agreement, BPA shall pass through WRAP charges to Ellensburg in instances where the charge is related to one or more of the following: (1) non-performance of Ellensburg’s resource as planned; (2) failure to meet the requirements of sections 5.1.1, 5.1.2, 5.1.3 and 5.2 above.

If BPA finds that only a portion of such WRAP charge is related to one of the conditions above, then BPA shall pass through only the portion related to such conditions. BPA shall not pass through charges that are related to the failure of BPA-provided Support Services.

For any single instance of a pass-through charge for WRAP, BPA shall waive a related charge that BPA determines to be duplicative to other charges assessed.

6. ENERGY STORAGE DEVICES

The data included in this section 6 is intended for informational purposes.

6.1 Definitions

For purposes of this section 6, the following terms shall have the meaning as defined.

6.1.1 “Cycle” means an Energy Storage Device has discharged an amount of energy equal to its maximum rated storage capacity and been recharged to 100 percent of that rated capacity.

6.1.2 “Cycles per Day” means the number of times, or fraction thereof, that an Energy Storage Device can complete a Charge Cycle within a normal 24-hour period.

6.1.3 “Hours of Maximum Discharge” means the number of hours, or fraction thereof, an Energy Storage Device can discharge at its Maximum Single Hour Discharge.

6.1.4 “Maximum Charge Rate” means the maximum rate at which an Energy Storage Device can be charged from either a full or partial

discharge to either a higher level of charge or a full charge, in percentage of full charge per hour.

6.1.5 “Maximum Single Hour Discharge” means the maximum megawatt-hours that an Energy Storage Device is rated for discharge on a single hour.

6.1.6 “Round Trip Efficiency” means the percent of energy used in charging an Energy Storage Device that later can be discharged to the alternating current electrical system.

6.1.7 “Storage Capacity” means the megawatt-hours of energy an Energy Storage Device is designed and rated to be able to store and discharge to the alternating current electrical system on an ongoing basis.

6.2 **Notice of Energy Storage Device Connection**

Ellensburg shall provide notice to BPA of its or its consumer’s intent to connect an Energy Storage Device to Ellensburg’s distribution system. Such notice shall be provided no fewer than 30 calendar days prior to the Energy Storage Device connection and shall include the information specified in section 6.3.1.3 below. BPA will populate the table in section 6.3.1.3 within 60 calendar days of receiving the notice.

6.3 **List of Ellensburg and Consumer-Owned Energy Storage Devices**

Ellensburg does not have any Energy Storage Devices at this time.

7. **REVISIONS**

BPA shall unilaterally revise this exhibit to reflect: (1) Ellensburg’s resource elections and requirements in section 1 of this exhibit; (2) Ellensburg’s Tier 1 Allowance Amount in section 2 of this exhibit; (3) resource adequacy requirements in section 5 of this exhibit; and (4) updates or additions to Energy Storage Devices in section 6 of this exhibit. Additionally, BPA shall unilaterally revise section 3, Resource Support Services, of this exhibit to implement an established BPA rate for such products or services.

All other changes to this Exhibit J will be made by mutual agreement of the Parties.

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Energy Services Monthly Report September 2025

Electric:

- BPA's fiscal year 2025 end of rate period deadlines are in September for the residential, commercial, and industrial Energy Efficiency Programs. The City will use all of the available BPA funding plus additional funds from a bilateral transfer, for a total of \$644,636.94. BPA's new rate period will begin October 1, 2025.
- The Renewable Energy System Incentive Program (RESIP) program semi-annual report was submitted to Washington State University Energy Program on July 31, 2025. [WSU Energy Program > Renewable Energy > Renewable Energy System Incentive Program](#)
- Staff is developing the linework design and bid required for the WinCo Foods project.
- Staff advertised Bid Calls 2025-10 Pad-Mounted Switch Cabinets for Electrical Distribution and Bid Call 2025-11 Pad-Mounted Primary Metering Cabinets for Electrical Distribution, bids are due 9/18/2025.
- Staff is working with utility pole providers and electrical meter suppliers to update the sole source purchasing of wooden utility poles and electric meters.
- Staff is continuing to work with the IT department to prepare the city for the upcoming Enterprise Asset Management system.
- Crew has completed several transformer maintenance jobs.
- Staff is working with Ziply Fiber and Lightcurve to install fiber throughout the city.
- IBEW Contract Negotiations are ongoing.
-

Gas:

- The City of Ellensburg is holding a public input workshop, 5:30-7 p.m. on September 23, 2025, in the City Hall Council Chambers for community members to provide feedback on the City's Clean Energy Implementation Plan (CEIP). Scheduled for completion this year, the CEIP is required by the Clean Energy Transformation Act (CETA) and will outline how the City of Ellensburg will continue to deliver safe, reliable, affordable, and clean electricity from 2026 through 2029.
- The Washington State Department of Commerce Decarbonization Planning Strategy grant was closed out on August 19th, 2025. The award amount was \$727,500.
- Gas crews completed annual regulator station maintenance and are currently performing annual valve maintenance. Crews continue to change out old residential meter sets. Student temporary laborers painted nearly 550 meters in 2025. Crews are also performing customer driven work such as new mains and services. Annual odorizer maintenance is scheduled for September 12th.
- Crews have been inspecting 3rd party contractors working around gas facilities.
- Design is complete and crews will be replacing the 2-inch main on a portion of Anderson Road with new 4-inch PE as required by the WinCo Foods project.
- Staff is working with consultants on the SR 97/Hwy 10 main extension design.
- Staff is performing annual reviews of the O&M and DIMP program.
- Staff participated in the recent Climate Commitment Act (CCA) Auction #11 on September 3rd, 2025, and successfully obtained allowances at the settlement price of \$64.30/allowance.

Telecom:

- Staff have been meeting internally to help ensure a successful transition of the Telecom utility's roles and responsibilities to Energy Services.