LPEA Community Power Peak Reduction Battery Program

General Information

The Community Power Peak Reduction Battery Program ("Program") from La Plata Electric Association, Inc. ("LPEA") allows members who purchase and install eligible battery systems ("Equipment") at their home or business to enroll in LPEA's contracted battery management software platform ("Platform"). A participating member will have the opportunity to earn a monthly incentive for the months of January, February, and December by allowing LPEA access to communicate with, receive data from, and send control signals to the Equipment within the scope of these Terms and Conditions during those months. This will enable LPEA to maximize the Equipment's value for reducing LPEA's peak load.

Equipment will remain enrolled in the Platform throughout the year, but LPEA will only send control signals to the Equipment outside the months of January, February, and December if there is a grid emergency, known as an SPP Load Shed Event defined below.

Below are the Terms and Conditions of the program. Once a member has signed the Terms and Conditions, this constitutes an Agreement between the participating member and LPEA ("Agreement").

Terms & Conditions

1. Definitions: For purposes of this Agreement, the following terms have the meanings set forth below. These definitions are provided for convenience; where a term is also defined in the body of this Agreement, the definitions are intended to be read consistently.

"Agreement" means these Terms and Conditions, as agreed to by the participating member and LPEA upon signing.

"Battery Energy" means the total energy capacity of the Equipment measured in kWh or, where the Equipment consists of multiple batteries, the sum of all the batteries' energy, as further described in Paragraph 5.

"Battery Reserve" means the percentage of Battery Energy that is kept in reserve and not made available to LPEA for Peak Events, which shall be 30% as further described in Paragraph 5.

"Battery System Inverter Capacity" means the continuous output capacity of the Equipment measured in kW, as further described in Paragraph 5.

"Contracted Duration" means the fixed three (3) hour period over which a participating member's usable Battery Energy is assumed to be delivered, used solely to calculate

Contracted Power and incentives. It does not describe or limit the length of any Peak Event.

"Contracted Power" means the value used to determine a participating member's monthly incentive, calculated as described in Paragraph 5.

"Equipment" means the eligible battery system(s) that a member purchases and installs at their home or business and enrolls in the Platform.

"Initial Term" means the period beginning upon member enrollment and continuing until November 30, 2029, as further described in Paragraph 13.

"ISP" means a participating member's internet service provider.

"LPEA" means La Plata Electric Association, Inc. a Colorado electric cooperative.

"Monthly Participation Value" means the per-kW dollar value applied per program-month to determine the monthly incentive, as further described in Paragraph 5.

"Peak Demand" and "On-Peak Energy" have the meanings given to those terms in LPEA's General Service and General Service Time-of-Use rates.

"Peak Event" means a period of time during which LPEA makes temporary changes to the Equipment settings, as further described in Paragraph 8.

"Platform" means LPEA's contracted battery management software platform.

"Program" means the Community Power Battery Program offered by LPEA and described in this Agreement.

"PSPS" means a Public Safety Power Shutoff.

"**SPP Load Shed Event**" means a period of time when the Southwest Power Pool, LPEA's regional transmission organization, is in Energy Emergency Alert Level 3 and orders mandatory load shedding throughout the region to prevent cascading outages and LPEA makes temporary changes to the Equipment settings.

2. Eligibility: All LPEA members with eligible battery systems located within LPEA's service territory and that have received Permission to Operate from LPEA are eligible to participate. LPEA maintains a list of eligible battery systems on its website. Eligibility will be contingent on equipment manufacturer, Battery Energy, and Battery System Inverter Capacity as defined in Paragraph 5.

Equipment eligibility is at the sole discretion of LPEA.

To enroll, a member must complete an enrollment form and agree to these Terms and Conditions. Both the Terms and Conditions document as well as the eligible battery system list may be found at the following location: https://lpea.coop/CP-Battery.

3. Access for LPEA: A participating member must allow LPEA access to communicate with, receive data from, and send control signals to member's Equipment as described in this Agreement. This means that a participating member is responsible for having (i) an internet service provider ("ISP"); (ii) a working and reliable internet connection and Wi-Fi network and other related equipment in their home or business that is positioned to communicate reliably with the Equipment; and (iii) other system elements that may be

specified as required by LPEA or the manufacturer of any required equipment (e.g. smart phone apps). A participating member is responsible for all fees charged by the ISP and the equipment manufacturer in connection with participation in the Program.

4. Access Disruption: A participating member's Equipment must be reliably connected and capable of communicating to participate in the Program. If LPEA is unable to communicate with the Equipment less than 90% of the month, as measured by the Platform, monthly incentives will not be awarded for that month. There will be no pro-rated payments for partial availability. If a participating member's Equipment stays below this communication threshold for more than two consecutive months, LPEA may remove the participating member from the Program and terminate this Agreement.

A member may re-enroll into the Program if communication is restored in a manner that restores compliance with Program requirements at a future date. In those circumstances, monthly incentives will resume.

5. Incentive Amount: A participating member's incentives will be based on their Equipment's specific values and the equation described below:

A. Values

- **Battery Energy (kWh)** – This is the total kWh in the Equipment. If the Equipment consists of multiple batteries, this is the sum of all the batteries' energy. The minimum Battery Energy to participate is 10 kWh.
- **Battery Reserve (%)** – The percentage of Battery Energy that will not be used by LPEA and kept in reserve at all times for the participating member as part of this Program shall be 30%.
- **Battery System Inverter Capacity (kW)** – The continuous output capacity of the Equipment measured in kW. If the Equipment consists of multiple inverters, this is the lesser of the sum of the inverters' capacities or any electrical system limitation. The Battery System Inverter Capacity must exceed 3 kW to be eligible for this program.
- **Contracted Duration (Hours)** – LPEA requires the battery to be able to provide 3 hours of power for a Peak Event. Incentive will be based on a 3-hour event duration regardless of actual event duration.
- **Contracted Power (kW)** –The lesser of:

  Battery Energy (kWh) × (1 – Battery Reserve (%)) / Contracted Duration (3 Hours)

  OR

  the Battery System Inverter Capacity.
- **Monthly Participation Value ($/kW)** –This is currently valued at **$20/kW** per program-month. LPEA may update this value annually based on good-faith market pricing adjustments or as part of Agreement renewals beyond the Initial Term as defined in Paragraph 13.

See Paragraph 5.B for an example calculation.

B. Monthly Incentive Equation

Monthly Participation Value ($/kW) × Contracted Power (kW)

Below is an illustrative example of the monthly incentive value of a common battery system, a single Tesla Powerwall 3.

- **Battery Energy (kWh)** – 13.5 kWh
- **Battery Reserve (%)** – 30%
- **Battery System Inverter Capacity (kW)** – 11.5 kW
- **Contracted Duration (Hours)** – 3 hours
- **Contracted Power (kW)** – 3.15 kW (calculated below)
- **Monthly Participation Value ($/kW)** – $20/kW

13.5 kWh × (1-.3)/3 hrs = 3.15 kW which is less than the inverter capacity of 11.5 kW →

$20/kW × 3.15 kW = **$63.00/**program-month

A participating member's incentives will be determined and confirmed by LPEA once the Equipment completes a verification process to determine full functionality within the Platform.

The monthly incentive will be earned by a participating member for the months of January, February, and December regardless of whether LPEA schedules any Peak Events for the months provided that the participating member is in compliance with all other terms of this Agreement.

During the Initial Term, the monthly incentive will not change unless (a) either party terminates this Agreement, (b) communication falls below the 90% threshold in Paragraph 4, or (c) the Equipment underperforms as described in Paragraph 7.

6. Payment of Monthly Incentive: The monthly incentive is paid as a monthly bill credit on the participating member's LPEA utility bill. This incentive is paid out for the three months the Program is in effect each year: January, February and December.

Pro-rated credits will not be issued in any circumstances including, but not limited to, enrollment or disenrollment partway through a month, access disruption as described in Paragraph 4 or other circumstances that prevent full Equipment participation in Peak Events.

Monthly bill credits will be applied to the participating member's next possible bill, as determined by the member's billing cycle.

Excess bill credits may be requested as a reimbursement rebate as described in Paragraph 17 below.

7. Equipment Performance: If the Equipment fails to provide at least 90% of the Contracted Power for one or more Peak Events, LPEA will notify the participating member. Upon notification, the participating member will have 30 days to resolve the

issue and to have LPEA test and verify that performance has been restored. If performance is not restored within 30 days, LPEA may terminate the participating member's enrollment in the Program as provided in Paragraph 15 or adjust the Contracted Power and monthly incentive to align with the Equipment's capability.

8. Peak Events: The participating member agrees that LPEA may communicate with, receive data from, and send control signals to their Equipment during Peak Events. A "Peak Event" is defined as a period of time in which LPEA makes temporary changes to the Equipment settings.

- Peak Events will be limited to the months of January, February and December.
- Peak Events will most likely, but not exclusively, be in the hours of 6-9am and 4-9pm.
- Peak Events will not be scheduled within 24 hours before a locally scheduled outage or when the local area is in a Public Safety Power Shutoff (PSPS) watch, warning, or event.
- Peak Event discharges will not exceed 3 hours but could be less than 3 hours.
- Peak Events may occur up to twice in a day.
- Peak Events will be limited to no more than 10 per month.
- The participating member will be issued notification of Peak Events at least 6 hours in advance in the manner they request to be notified.
- Peak Events will typically, but not exclusively consist of a charging event, followed by a period in which the battery is idle, followed by a discharging event and followed by a second period of time in which the battery is idle.
- LPEA will not charge the battery during Peak Demand or On-Peak Energy hours as defined in LPEA General Service and General Service Time-of-Use rates.
- A participating member may opt out of any Peak Event, but doing so forfeits that month's incentive. Automatic opt-outs (from enabled weather-alert settings) and LPEA-directed opt-outs (for a PSPS or planned outage) do not cause forfeiture.

9. SPP Load Shed Events: An SPP Load Shed Event is a period of time when the Southwest Power Pool, LPEA's regional transmission organization, is in Energy Emergency Alert Level 3 and orders mandatory load shedding throughout the region to prevent cascading outages and LPEA makes temporary changes to the Equipment settings to reduce LPEA's total load. If LPEA receives a command to shed load from SPP, or its transmission provider on behalf of SPP, LPEA may send control signals through the Platform to Equipment enrolled in the Program to support the grid by reducing load.

- These control signals may direct the Equipment to pause charging a battery and instead send maximum solar power to the grid or may direct the Equipment to discharge power to the grid or a combination of the two.

- SPP's decision to order load shedding is outside of LPEA's control and LPEA cannot predict if, when, or for how long they may be ordered.
- LPEA will not send control signals for a SPP Load Shed Event more than three times per year to any Equipment.
- LPEA will maintain elements of Peak Events that protect participating member interests during SPP Load Shed Events including:
    - not charging the Equipment during Peak Demand or On-Peak Energy hours;
    - not overriding weather alert settings;
    - not sending control signals to Equipment in areas under PSPS watch, warning, or events or within 24 hours of a scheduled outage;
    - sending timely notification of SPP Load Shed Events; and
    - allowing participating members to opt-out of SPP Load Shed Events outside the months of December, January, and February without any forfeiture of a past or future monthly incentives.

10. Data Access: The participating member agrees to allow LPEA and/or LPEA third-party vendor access and use of certain participating member data and information, including energy usage and consumption data, as well as personally identifiable information. This information will be used to assist in programming, reporting, monitoring, and controlling the Equipment, as well as other uses consistent with applicable laws and regulations, and as provided in applicable third-party vendor terms and conditions.

11. Acknowledgments of Participating Member:

The participating member acknowledges and agrees that LPEA may communicate with, receive data from, and send control signals to the Equipment installed in their home or business in accordance with this Agreement.

The participating member acknowledges that during grid outages, only the energy in the battery will be available to the participating member for backup power services and that this may be reduced to 30% or lower following Peak Events based on participation in this Program. System outages, equipment failure, or other circumstances outside LPEA's control may impact or delay the charging of a member's Equipment. LPEA cannot guarantee that a participating member's Equipment will be fully charged prior to all system outages; however, the Program is designed so that LPEA will respect weather alert notifications that preclude use of a member's Equipment prior to or during a weather event that could potentially cause system outages if a member's Equipment has a weather alert mode and that mode is enabled.

The participating member acknowledges that they remain responsible for maintenance, repair and replacement of their Equipment.

The participating member acknowledges and understands that LPEA may charge the Equipment from the grid prior to a Peak Event. The participating member further acknowledges that LPEA is not responsible for ensuring that their system operates in a manner that conforms to eligibility for previously claimed Investment Tax Credits. Please consult with a tax professional if you have questions about this.

The participating member acknowledges that participation in this Program may increase the Peak Demand or On-Peak Energy charges on their LPEA bill. This can happen in two ways: (1) **during** a Peak Event, the battery may be held idle rather than serving the member's home load, so that load is served by power from the grid instead; and (2) **after** a Peak Event, LPEA may have discharged the battery down to the Battery Reserve level, leaving too little stored energy to serve home load for the remainder of that day's Peak Demand or On-Peak period. In either case, the member may draw more energy from the grid during Peak Demand or On-Peak hours than they otherwise would, which can raise those charges.

The participating member acknowledges that enrollment in this Program may preclude the member from participation in other LPEA programs or tariffs as determined by LPEA.

The participating member acknowledges that their Equipment may not be enrolled in another aggregation or demand response program.

12. Required System Settings: LPEA requires that the participating member's installer configure the Equipment to export energy to the grid and provide evidence of the settings to LPEA. The participating member may utilize whatever operational settings, schedule etc. they choose that are in effect other than Peak Events.

13. Enrollment & Term: This Agreement shall commence upon member enrollment and shall continue until November 30, 2029 (the "Initial Term"). After the Initial Term, this Agreement shall renew annually unless the Agreement is amended by LPEA in accordance with Paragraph 14 or the Agreement is terminated by either party in accordance with Paragraph 15.

14. Amendments LPEA may amend this Agreement in its sole discretion at any time by providing written notice of the proposed amendment(s) to the participating member at least 30 days before the effective date of such amendment. Unless the participating member terminates this Agreement in accordance with Paragraph 15 prior to the effective date of such amendment, participating member shall be deemed to have accepted the amendment.

15. Termination: A participating member may end participation in the Program and terminate this Agreement at any time by providing LPEA written notice of termination. Within 3 business days of notification of termination, LPEA will disenroll the member's Equipment and cease to communicate with, receive data from, or send control signals to the member's Equipment. The member will no longer receive the monthly incentive and there is no pro-rating of a monthly incentive if the participating member terminates the Agreement during a month when Peak Events may be called.

LPEA may terminate this Agreement by providing 30 days' written notice to the participating member. Termination is effective 30 days after the date such notice is sent. If LPEA terminates the Agreement under this paragraph, LPEA will pay the participating member the full monthly incentive, without proration, for each month during which the Program was in effect and Peak Events could have been called, including any partial month in which termination becomes effective.

16. Change in Premises Ownership: The participating member acknowledges that they are required to be the account holder for the premises where the Equipment is installed and own the Equipment. By signing below, you represent that you are the account holder for the premises where the Equipment is installed and the owner of the Equipment.

The participating member agrees to provide LPEA with 30 days' advance notice of a sale of the premises where the Equipment is installed. In the event of a sale, the participating member may choose to terminate this Agreement in accordance with Paragraph 15, or if the parties agree, the new owner may assume this Agreement in writing.

Sale or transfer of the Equipment to a third party who has not assumed this Agreement shall constitute automatic termination of this Agreement, and in that case, monthly incentives shall cease consistent with Paragraph 15.

17. Reimbursement Rebate: If the participating member has a credit on their account exceeding $500.00 on their April bill, the participating member may request reimbursement of the credits in the form of a check.

18. Liability: LPEA shall not be liable for any direct, indirect, special or consequential damages to any persons or property resulting from or arising out of any use, repair, delay in repairing, replacement of, modification to, unavailability of, or charging status of the Equipment. LPEA is not responsible for any costs related to the repair, maintenance or replacement of a participating member's Equipment. If replacement of a participating member's Equipment is necessary, the participating member must notify LPEA.

19. Indemnification: The participating member shall indemnify and hold harmless LPEA for any injury or damage to any persons or property arising from LPEA's access and use of the Equipment, or caused by any breach of this Agreement by the participating member, the negligence of the participating member or that of their household members, agents, servants, employees, tenants, licensees, invitees, tenant's invitees, or independent contractors.

20. Notice and Governing Law: The participating member must send any notice required under this Agreement to communitypower@lpea.coop. LPEA will send notice to a participating member at the email address provided to LPEA. The participating member is responsible for providing LPEA with their current valid email address. This Agreement shall be governed by the laws of the State of Colorado.

21. No Warranty: THE PARTICIPATING MEMBER (OR MEMBER) ACKNOWLEDGES THAT LPEA IS NOT THE MANUFACTURER OR LICENSOR OF THE EQUIPMENT.

THE PARTICIPATING MEMBER AGREES THAT LPEA HAS NOT MADE AND MAKES NO REPRESENTATIONS OR WARRANTIES OF WHATSOEVER NATURE, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, AS TO THE SUITABILITY, DURABILITY, FITNESS FOR USE, MERCHANTABILITY, CONDITION, OR QUALITY OF THE EQUIPMENT OR ANY UNIT THEREOF. THE PARTICIPATING MEMBER SPECIFICALLY WAIVES ALL RIGHT TO MAKE A CLAIM AGAINST LPEA FOR BREACH OF ANY EQUIPMENT WARRANTY OF ANY KIND WHATSOEVER; AND WITH RESPECT TO LPEA, THE PARTICIPATING MEMBER RECEIVES ALL EQUIPMENT “AS IS.” LPEA SHALL NOT BE LIABLE TO ANY PARTICIPATING MEMBER FOR ANY LOSS, DAMAGE, OR EXPENSE OF ANY KIND OR NATURE CAUSED DIRECTLY OR INDIRECTLY BY ANY EQUIPMENT, OR BY THE USE OR MAINTENANCE THEREOF, OR BY THE REPAIRS, SERVICES, OR ADJUSTMENT THERETO OR ANY DELAY OR FAILURE TO PROVIDE ANY THEREOF, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF, OR FOR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER AND HOWSOEVER CAUSED. NONE OF THE FOREGOING SHALL LIMIT ANY CLAIM A PARTICIPATING MEMBER MAY HAVE DIRECTLY AGAINST ANY MANUFACTURER OR INSTALLER OF ANY EQUIPMENT.