

System Impact Study Agreement

This System Impact Study Agreement is dated [DATE], between PUBLIC UTILITY DISTRICT NO, 1 OF SNOHOMISH COUNTY, WASHINGTON (the "District"), a municipal corporation organized and existing under the laws of the State of Washington and _____, ("Interconnection Customer"), a corporation organized and existing under the laws of [INSERT].

Recitals

Interconnection Customer desires to design, finance, construct, own and operate an electric generation facility ("Generating Facility") powered by _____ and located in _____, Washington.

The District owns and operates an electric distribution system in Snohomish County.

Interconnection Customer desires to interconnect the Generating Facility with the District's electric distribution system.

Interconnection Customer has requested the District to perform a system impact study to assess the impact of interconnecting the Generating Facility to the District's electric distribution system.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties agree as follows:

Terms and Conditions

1. Within seven (7) business days from the date of execution of this Agreement, Interconnection Customer shall pay the District a deposit of \$10,000.
2. The District shall, within ninety (90) business days of the receipt of such sum from Interconnection Customer complete a system impact study of the potential adverse safety and reliability impacts of interconnecting the Generating Facility to the District's electric distribution system.
3. Interconnection Customer will be provided with a written copy of all final SIS results and will include all measures reasonably recommended by the study as specifications in the Interconnection Agreement for interconnection of the Generating Facility with the District's electric system. The SIS will contain assessment description of system impacts that includes, but is not limited to, electric facility overloads, voltage regulation, short circuit analysis and other technical limitations. The SIS will discuss potential equipment and system modifications required to mitigate any system impacts by the Generating Facility, only. The SIS will also include an engineering level cost estimate of +/- 50 % for the required equipment additions to the District's electric system as specified for interconnecting the Generating Facility.
4. Interconnection Customer agrees to cooperate fully with the District to ensure the District has adequate information with which to complete the SIS by completing, submitting, and having District approval of ESR Form 6-2 "Final Application for Operation of Customer-Owned Generation. This

cooperation includes, but is not limited to, providing all necessary data concerning the specifications of the electrical characteristics and equipment of the Generating Facility.

5. The SIS to be performed by the District under this Agreement shall be rendered in a good and workmanlike manner by fully qualified personnel who are, or who are working under the responsible supervision of, Professional Engineers licensed in the State of Washington and such SIS shall be performed in accordance with accepted industry standards and best industry practices as reasonably understood by the District. THE DISTRICT HEREBY DISCLAIMS ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY AND ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL THE LIABILITY OF THE DISTRICT UNDER THIS AGREEMENT EXCEED \$10,000. The validity of the District's study is limited by the assumptions used; the District shall not be responsible for additional interconnection measures required at the time of Commercial Operation of the Generating Facility or thereafter due to changes in the configuration, operation, flow of electricity, or other conditions that do not presently exist on the District's electric system. Nor shall the District be responsible for any new measures required because of or arising from changes in the specifications or configuration of the Generating Facility.

6. The District shall invoice Interconnection Customer, and Interconnection Customer shall promptly pay the District, for any external and internal costs in excess of \$10,000 incurred for work associated with the SIS. After 15 days from the date such invoice is issued by the District, any outstanding amounts shall accrue interest at the rate of one percent per month or the highest rate allowed by law, whichever is lower. The District agrees to use all reasonable efforts to control the costs of the study. Should the costs associated with the SIS amount to less than the \$10,000 deposit, the District will refund the remaining SIS deposit to Interconnection Customer without interest.

IN WITNESS WHEREOF, the Parties have caused this System Impact Study Agreement to be executed by their respective authorized officials.

For Public Utility District No.1 of Snohomish County, Washington:

By:
Name Title Date

For "Interconnection Customer":

By:
Name Title Date