

PARTICIPATION AGREEMENT (the "Agreement")

Member-owned Battery Program

This Agreement (Agreement) is entered into between the undersigned member ("Member" who sometimes be referred to herein as "you" or "your") and Poudre Valley Rural Electric Association, Inc. ("PVREA"). Member and PVREA may each individually be referred to herein as a "Party" and may collectively be referred to herein as the "Parties." Through an innovative program (the "**Program**"), PVREA is creating a virtual power plant ("VPP") and is investigating how behind-the-meter battery storage can provide reliability benefits to PVREA and its members. The Program allows members to take advantage of a program that PVREA's third-party contractors or agents such as Battery Original Equipment Manufacturers ("OEM's") and Distributed Energy Resources Management Systems ("DERMS"), (collectively referred to here as "Contractors") offer for adjusting your energy consumption during critical hours to reduce strain on the power grid and save money on generation & transmission and distribution costs. Under the Program, PVREA can schedule an event. An event involves utilizing energy stored in the Battery Energy Storage System (referred to as your "BESS") to support the PVREA distribution system. During such event, your eligible BESS will automatically charge, discharge, and respond to grid conditions as needed.

As a BESS owner, you are eligible to apply for enrollment in this Program if you:

- Are a valid PVREA member with an active electric service account in good standing.
- Have a valid Interconnection Agreement in place with PVREA.
- Have an eligible BESS.
- Own the property on which the eligible BESS is located.
- Have an active customer account with the manufacturer of the BESS.
- Have the BESS commissioned, operating and connected to the internet through ethernet or a strong Wi-Fi connection.
- Have submitted a W-9 to PVREA if your enrollment credits will exceed \$600.
- Agree to participate in the Program for a period not less than 3 years. Early termination from the Program is a material breach and default of this Agreement and will be subject to the terms and conditions below.

Enrollment in the Program is subject to PVREA approving your request for enrollment. Your enrollment request may be declined, or your enrollment terminated, if you do not satisfy eligibility requirements, if the enrollment information is not accurate, or for any other reason. For each participating BESS, PVREA will pay Member an upfront enrollment credit of \$60 per installed kilowatt ("kW") of manufacturer rated continuous capacity to enroll in the Program for a term of 3 years. This upfront payment is typically mailed as a check to Member's electric service account mailing address within 6 to 8 weeks after Member's eligibility is confirmed.

Beginning in the month following receipt of the upfront credit, Member will receive an additional payment of \$20 per month (the "Additional Payment") for each month you are enrolled in the Program and continued enrollment is verified. This Additional Payment will be credited to the Member's electric service account. Provided that PVREA's contractual agreement with OEM's and DERMS providers remains in place, PVREA agrees to continue paying the Additional Payment as outlined in this Agreement.

To participate, all BESS installed at your PVREA service address will need to be enrolled into the Program. Member shall comply with the Tariffs, Rules and Regulations and terms and conditions of PVREA, which may be changed or amended by PVREA from time to time and this Agreement shall incorporate the provisions thereof as changed in the future. PVREA will send operating instructions to your BESS, optimize its operations, and change its state on an event day. The BESS will not be drawn down below a 30% reserve level to allow for backup. This means the battery will not discharge below 30%. During the Program, PVREA will control the charging and discharging cycles of the batteries and the Member will receive backup power during an outage. Member shall continue to purchase from PVREA all electric energy used on the property and will pay for at the applicable rates and terms in accordance with the Tariffs and Rules and Regulations. The terms of this Agreement are supplemental to the Electric Service Agreement between Member and PVREA. Member reaffirms the Electric Service Agreement and this Agreement is intended to grant Member the additional rights, duties and obligations under the Program. PVREA and Contractors will collect data about your BESS technology, including but not limited to model and power consumption, and may use this information to enable, manage your participation in, provide support for, and improve the Program. PVREA has contracted with Virtual Peaker to manage the Program. Member consents to the collection, use, disclosure and other handling of any information provided by the Member to PVREA and Contractors, including without limitation, personal information such as the Member's name, address, telephone number, email address and records showing historical energy use and consumption by PVREA for purposes relating to the operation, administration or assessment of the Program, and in connection with any reporting activities relating to the Program, which such use will include, without limitation, use by PVREA and Contractors to conduct, analyze and report on the results of the Program and to conduct surveys and modify the Program based on such surveys.

If you cease to participate in the Program for any reason before the end of the two years, you will be in material breach and default of this Agreement. Such default shall result in the unearned part of the enrollment credit to be forfeited and to become due and owing to PVREA. Repayment of the enrollment credit will be calculated on a prorated basis and be required as a one-time charge to Member's electric service account. For example, if a member ceases participation after one year, that member would have earned 12 months' worth of the enrollment credit and must repay the remaining 12 months' worth of the enrollment credit equal to 50% of the enrollment credit.

If Member's electric service account becomes delinquent because of being assessed the one-time prorated charge for repayment of the enrollment credit due to early termination from the Program, PVREA may discontinue electric service in accordance with its Tariff, Rules and Regulations, and applicable law.

If Member discontinues electric service within the two-year period of receiving the enrollment and thereby cannot participate in the Program, such act will be a material breach and default of this Agreement. Such default will result in repayment of the enrollment credit as described above. Repayment will be calculated on a prorated basis and be required as a one-time charge to the Member's electric service account and due in full to the Member's final electric service invoice.

Delinquent final electric service invoices, inclusive of the repayment of the enrollment credit, will be reported by PVREA to the appropriate debt collection agencies and credit monitoring services.

Members will be able to opt out of called events. PVREA will assess Member's involvement in each and every event, and, at PVREA's sole and absolute discretion, reserves the right to remove Member from the Program if Member consistently opts-out of scheduled events. Should removal from the Program occur, a prorated portion of the enrollment credit will be collected based on the length of Member's enrollment. Member acknowledges and agrees that PVREA reserves the right to enforce this provision and all terms and conditions of this Agreement to maintain the integrity of the Program.

Member acknowledges and agrees that:

- Member cannot opt out of this Program before the end of the 3 year term without materially breaching and defaulting under this agreement. Such default results in forfeiting and repaying the enrollment credit as described above.
- Member cannot be on PVREA's time-of-use rate option while participating in this Program.
- A charge command will be sent to the BESS at a specified time before an event, so the BESS is fully charged for the event.
- PVREA may call events but not to exceed 140 events per year.
- After the two years, Member can opt out of the Program with 30 days' written notice.
- Storm Watch mode or similar mode, if applicable, may be overridden by members during called events.
- PVREA will use good faith efforts not to call events before or during major storms or severe weather events that PVREA believes are likely to result in widespread outages.

The Program is subject to change by PVREA from time to time and PVREA will endeavor to provide reasonable notice to the Member of such changes.

PVREA makes no representation or warranty, express, implied, statutory or otherwise, including, but not limited to, any representation or warranty as to merchantability, design, capabilities, suitability, usability, habitability, durability or fitness for use or for a particular purpose, with regard to the Program, or otherwise. . PVREA SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES TO ANY PERSONS OR PROPERTY RESULTING FROM OR ARISING OUT OF THE PROGRAM, OR OTHERWISE, OR DAMAGES CAUSED BY LACK OF BACKUP POWER, OR IN CONNECTION WITH PVREA'S SUPPLY OF ELECTRICITY TO THE MEMBER (INCLUDING ANY INTERRUPTION OR DISCONNECTION THEREOF).

YOU SHALL INDEMNIFY, DEFEND, RELEASE AND HOLD HARMLESS PVREA AND PVREA'S DIRECTORS, OFFICERS, AND EMPLOYEES FROM ANY AND ALL LIABILITIES, CLAIMS, DEMANDS, CAUSES OF ACTION, DAMAGES OR EXPENSES (INCLUDING ATTORNEYS FEES AND COSTS) RESULTING FROM YOUR PARTICIPATION IN THE PROGRAM. These terms and conditions become effective when you submit your enrollment request and will continue until amended by PVREA or your participation is terminated either by yourself or PVREA, whichever occurs first. Notwithstanding the foregoing and notwithstanding anything to the contrary in this Agreement, your duty to indemnify, defend and hold harmless PVREA survives termination or cancellation of this Agreement.

Member agrees that the laws of the State of Colorado shall govern this Agreement and any dispute arising hereunder shall be litigated in a Federal or State Court located in the State of Colorado, and MEMBER WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW THE RIGHT TO A TRIAL BY JURY. In the event any provision of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, the remaining provisions of this Agreement shall remain in full force and effect to the maximum extent possible. This Agreement is neither intended to create, nor shall it be construed as creating, a joint venture, partnership or other form of business association between the Parties, or an agreement to enter into any business relationship. Member has obtained, to the extent Member has deemed necessary or prudent, legal counsel to advise Member on this Agreement.

You may cancel your participation in the Program by calling PVREA at 1.800.432.1012

I/We, the Member, confirm/acknowledge that:

- **I/we are the registered owner(s) of the property and I/we have fully read this Agreement and all of its terms and conditions and I/we will observe and perform the said terms and conditions.**
- **This Agreement is effective upon your submitting this Agreement and will continue until you cancel your participation. You may cancel participation at any time during the program by calling PVREA at (800) 432-1012.**