

**BENTON RURAL ELECTRIC ASSOCIATION
COOPERATIVE SOLAR PROGRAM
PARTICIPATION APPLICATION**

Thank you for your interest in Benton Rural Electric Association's Cooperative Solar Program ("**Program**"). By completing this Application ("**Application**") along with the Benton Rural Electric Association Cooperative Solar Program Agreement ("**Agreement**"), you may be selected to participate in the Program. You will also be agreeing to be bound by the terms of the Application, the Agreement, and the Bylaws, policies, procedures, and guidelines of the Benton Rural Electric Association ("**Benton REA**"). This Application is specifically for participation in the Cooperative Solar Program, which is based on the output of Benton REA's solar project to be located at 6072 West Van Giesen Street, West Richland Washington ("**Project**").

The period for submission of Applications for participation in the Program will be a sixty (60) day period starting at 8:00 A.M. on Monday, August 6, 2018, and ending at 5:00 P.M. on Friday, October 5, 2018. Applications received by Benton REA after 5:00 P.M. on October 5, 2018 will not be eligible for participation in the Program. Solar Units will be awarded to Applicants on a first come, first served basis subject to the limitations set forth in this Application and in the Agreement. First Come First Served will be based on the date/time stamp affixed to the completed Application, Agreement, and Total Participation Fee when received by Benton REA. Solar Units will be reserved for a Participant when Benton REA receives a fully completed and approved Application and Agreement by an eligible member and payment of the Total Participation Fee in full is successfully processed.

To be considered for participation in the Program, please complete and sign pages 1 and 2 of this Application, as well as the Agreement, and mail both documents along with your Total Participation Fee (if paid by check) to:

Benton Rural Electric Association
Attn: Co-op Solar Program Manager
P.O. Box 1150
Prosser, WA 99350



Payment

Solar Units are available on a first come first served basis and are reserved for each Benton REA member Applicant when their payment is processed and approved. Benton REA will accept payment by check or credit/debit card. Please select the payment method requested below:

___ Check: Made to Benton Rural Electric Association (Please include your Benton REA Account number on your check for proper processing of your application)

___ Credit/Debit Card: Payment made at a Benton REA office, on the Benton REA's automated phone payment system (844-255-3685) or online via SmartHub.

Check box if payment has been made prior to submitting application

Program Process

Within fifteen (15) days after October 5, 2018 (the end of the application period), Benton REA will advise each member that has submitted a signed Application and Agreement with correct Total Participation Fee if they have been accepted for consideration for participation in the Program.

Within thirty (30) days after October 5, 2018 (the end of the application period), Benton REA will advise each Applicant that has been accepted for consideration for participation in the Program the number of Solar Units that each such Applicant has been awarded. In the event that all the Solar Units available from the Project have not been awarded, Benton REA may elect at its sole discretion to: (i) terminate the Project and return to all Applicants their Total Participation Fee; (ii) offer the Solar Units that have not been awarded to current Applicants; or (iii) open the Program to additional Applications.

Once all Solar Units have been awarded, Benton REA will refund to each Participant that was (i) not awarded any Solar Units, or (ii) was awarded fewer Solar Units than requested, the difference between the number of Solar Units requested and the number awarded to the Participant multiplied by \$200.

Acknowledgements and Warranties

Applicant expressly acknowledges, agrees, understands and warrants as follows:

- Participation is open to all Benton REA members, subject to limited availability of Solar Units. The total Solar Units available for the Program is limited to 550 Solar Units. The number of Solar Units for any one Participant shall not to exceed 55 Solar Units. Benton REA may revise the wattage of Solar Units and/or the number of Solar Units available based on final costs of the Project. Applicant warrants that he/she meets the Eligibility Requirements contained in Section 2 of the Agreement.
- Applicant has full power and authority to sign this Application.
- Applicant has not relied upon any information or advice from Benton REA as to the prudence of Applicant's participation in the Project or whether or not payment of the Total Participation Fee will make Applicant eligible for any benefits including, but not limited to tax credits, incentives, or benefits available from the State of Washington or any other governmental agency. Applicant understands that any questions or concerns about available tax credits, tax benefits, tax liability, incentives, any other attributes of Applicant's participation in the Project and Program, or any term or condition of this Application or the Agreement should be raised with Applicant's tax or legal advisers or the appropriate governmental agencies, and Applicant acknowledges that they are making the decision to participate, or not to participate, in the Program based on their own free will and their own discretion.
- Applicant has received and signed, and agrees to be bound by the terms of the BENTON RURAL ELECTRIC ASSOCIATION COOPERATIVE SOLAR PROGRAM AGREEMENT.

Participant Signature _____

Print Name _____ Date _____

BENTON RURAL ELECTRIC ASSOCIATION COOPERATIVE SOLAR PROGRAM

AGREEMENT

This BENTON RURAL ELECTRIC ASSOCIATION COOPERATIVE SOLAR PROGRAM AGREEMENT (“Agreement”) is made by and between the Benton Rural Electric Association (Benton REA) and (please print member name) _____ (Member).

Section 1. Definitions

- 1.1 “Account” means a Benton REA member electric service Account associated with a service address, metered service and Benton REA Account number.
- 1.2 “Applicant” means a Benton REA member who has executed an Application, this Agreement, and submitted both, along with the appropriate amount of the Total Participation Fee, to Benton REA for participation in the Cooperative Solar Program.
- 1.3 “Application” means the application for participation in the Benton REA Cooperative Solar Program.
- 1.4 “Cooperative Solar Program” means the program offered to members by Benton REA which offers the opportunity to receive credit for the output of the Project, based on the Solar Units purchased by the Participant.
- 1.5 “Electric Bill” means a bill from Benton REA for electric service that is metered and billed for the Benton REA Account number specified on the Application, or a successor Account number determined in accordance with the terms of this Agreement.
- 1.7 “Energy Credit” shall have the meaning given such term in section 5.
- 1.8 “Investment Cost Recovery Incentive Rate” means the monetary rate for electricity production provided by the State of Washington’s Renewable Energy System Cost Recovery program as codified in the Washington Administrative Code (WAC) 504-49. The Investment Cost Recovery Incentive Rate shall be determined and may be made available by the State of Washington as explained herein.
- 1.9 “Participant” means the Benton REA member specified on an Application, who has executed this Agreement, paid the appropriate Total Participation Fee and who has received notification from Benton REA that he/she has been awarded one or more Solar Units in the Program, or a successor Participant designated in accordance with Section 6.
- 1.10 “Participation Fee” means the fee specified in Section 3 of this Agreement.
- 1.11 “Production Incentive Credits” shall have the meaning set forth in Section 5.
- 1.12 “Program” means the Cooperative Solar Program operated by Benton REA.
- 1.13 “Project” means the solar photovoltaic electricity generating facilities being developed by Benton REA at 6072 West Van Giesen Street, West Richland, Washington.
- 1.14 “Service Address” means the real property located at the address specified on the Application, or a successor Service Address specified in accordance with the terms of this Agreement.
- 1.15 “Solar Unit” means a 55 watt portion of the Project’s electricity generating capacity, or such other wattage amount based on final Project costs as determined by Benton REA.
- 1.16 “Term” means the period, not to extend beyond twenty-five (25) years from the date the Project begins producing electricity, during which, in the reasonable and sole determination of Benton REA, the Project can continue to operate, through the use of commercially reasonable efforts but without the necessity of significant additional capital expenditures, based upon projected costs, economics and other factors determined by Benton REA to be relevant at that time. Benton REA’s exercise of such discretion shall bind all Participants. Benton REA does not guarantee that the Term of the Project will extend for 25 years

from the date the Project commences producing electricity.

- 1.17 "Total Participation Fee" equals the number of Solar Units awarded to the Participation by Benton REA multiplied by TWO HUNDRED DOLLARS (\$200.00).

Section 2. Eligibility

Only Benton REA members with metered electric service accounts that are billed monthly and are in good standing will be permitted to apply to participate in the Program, or to continue participation in the Program, after they have been awarded one or more Solar Units. Non-metered and lighting (yard or street light) accounts are not allowed to participate in the Program. Members participating in the net metering program are not eligible to apply for participation in the Program, and members who become Participants in the Program will not be eligible to participate in the net metering program during the Term. Benton REA may terminate a Participant's participation in the Project at any time if Benton REA determines the Participant no longer meets the eligibility requirements contained in this Section 2. . Upon such termination, no refund of the Total Participation Fee or other payment will be made to the Participant.

Section 3. Participation Fee and Effective Date of Participation

Participant has paid a Total Participation Fee of Two Hundred Dollars (\$200.00) per Solar Unit awarded to the Participant by Benton REA. Participation in the Program shall be effective upon the date on the confirmation of participation mailed by Benton REA to the Participant.

Benton REA may terminate the Project at any time during the Term, if it determines in the exercise of its sole discretion that the Project cannot continue to operate, through the use of commercially reasonable efforts without significant additional capital expenditures, based upon projected costs, economics and other factors determined by Benton REA to be relevant at that time. Upon such termination, no refund of the Total Participation Fee or other payment will be made to the Participant.

Section 4. Production Incentive Credits and Energy Credit Payments

In consideration of the Total Participation Fee paid by the Participant, and subject to all the terms and conditions set forth herein, the Participant named in this Agreement shall be entitled to receive Energy Credits and Production Incentive Credits as described below.

Pursuant to WAC 504-49, the State of Washington plans to offer an Investment Cost Recovery Incentive to participants in certain solar projects including utility-owned Cooperative Solar Project(s) as defined in WAC 504-49. BENTON REA makes NO representation or warranty, either express or implied, that the Investment Cost Recovery Incentive or the Investment Cost Recovery Incentive Rate will be available or at what level it shall be set. Participant acknowledges that, under the current statutes of the State of Washington, the Investment Cost Recovery Incentive and the Investment Cost Recovery Incentive Rate are to be available for eight years or 50% of your investment, whichever comes first.

Section 5. Calculation and Payment of Energy Credits and Production Incentive Credits

The value of the Energy Credits and the value, if any, of the Production Incentive Credits that the Participant is entitled to shall be calculated and paid as follows:

- 5.1 Energy Credits and Production Incentive Credits are based upon the number of kilowatt-hours of electricity generated by the Project during a specific time period and attributed to the Participant's Solar Unit(s) as measured and calculated by Benton REA using metering installed for that purpose during the Term of the Project. For these calculations, one (1) kilowatt-hour of electricity production attributed the Participant's Solar Unit(s) shall equal one (1) Energy/Production Incentive Credit.
- 5.2 The value of the Energy Credits shall be determined each month by multiplying the number of Energy Credits attributable to Participant's Solar Units during each month by Benton REA's Cooperative Solar Rate, all as determined by Benton REA. The Cooperative Solar Rate will be equal to the Energy Charge of the Residential Service Rate: Schedule 01 for Benton REA as determined from time to time by the Board of Trustees of Benton REA. Payment of the value of Participant's Energy Credits shall be made each month during the Term as a credit on the Participant's monthly Benton REA power bill to the Electric Account Number and Service Address set forth on the Application.
- 5.3 The value of the Production Incentive Credits shall be determined annually by multiplying the number of Production Incentive Credits attributable to Participant's Solar Unit(s) during the preceding twelve (12) months by the Investment Cost Recovery Incentive Rate as described in WAC 504-49-230 and WAC 504-49-300, all as determined by Benton REA. Payment of the value of Participant's Production Incentive Credits shall be made to Participant annually by check mailed by Benton REA to Participant.

- 5.4 Participant will be subject to caps as described in WAC 504-49-105, which establishes an annual incentive limit paid per person, business or household for a given year of \$5,000 per Program participant.

Section 6. **Permissible Transfer of Solar Unit(s) Upon Termination of Participation**

- 6.1 If Participant terminates the Benton REA Account to which Cooperative Solar benefits have been assigned, all prospective rights and benefits associated with Participant's Solar Units shall revert to Benton REA without additional payment by Benton REA, unless Participant provides to Benton REA within sixty (60) days of such termination, a request to transfer the Solar Units to:
- 6.1.1 The same Participant at a new Benton REA Account; OR
- 6.1.2 To a successor Participant with a distinct Benton REA Account that meets eligibility requirements specified in Section 2. Upon the delivery to Benton REA of a copy of this Agreement executed by the successor Participant, such successor Participant will receive all prospective rights and benefits associated with the assigned Solar Unit(s), including the Annual Incentive Payment payable following the date of termination.
- 6.2 If Participant (or successor Participant) terminates his/her Benton REA electric Account without making a transfer pursuant to Section 6.1.2, then such Participant's Solar Unit(s) will be retained by Benton REA or reassigned to an eligible Benton REA electric Account chosen at the sole discretion of Benton REA, with no refund or other payment made to either the original Participant or the successor Participant.

Section 7. **No Other Transfer or Pledge of Solar Unit(s)**

Participant may NOT pledge the Solar Unit(s) as security for any loan, mortgage or any other purpose. Except as expressly provided in section 6, above, Participant may not assign, gift, bequeath or otherwise transfer any Solar Unit(s) to any other individual or entity.

Section 8. **Participant Retains Ownership of Environmental Attributes**

Benton REA grants ownership of environmental attributes of any kind, including renewable energy credits, that may be associated with the Participant's Solar Unit(s) to the Participant.

Section 9. **Disclaimer of Warranties**

Participant acknowledges that, except to the extent specifically stated herein, Benton REA has NOT made any representation, warranty or promise with respect to any aspect of the performance, condition, value, risks or likelihood of success of the Project, Program or the Solar Units(s) for which the Participant has applied herein. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE SOLAR UNIT(S) ENROLLED IN BY THE PARTICIPANT ARE MADE AVAILABLE AS IS, WHERE IS, AND WITHOUT WARRANTY OF ANY KIND. ANY WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE ARE HEREBY DISCLAIMED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE.

Section 10. **No Effect on Electric Rates and Tariffs**

Nothing in this Agreement shall be deemed to alter or modify any rate, charge or condition of service (including any policies, procedures, fees, charges or assessments) established from time to time by the Benton REA Board of Trustees for electric service. All such rates and charges shall remain subject to change at any time by such Board. Participant acknowledges and agrees that the Electric Bill, which will reflect the monthly payment of Energy Credits associated with the Participant's Solar Unit(s), shall reflect those rates and charges established or changed from time to time by Benton REA. Participation in the Program shall not give Participant any increased or additional right to contest or otherwise affect the determination of any rates or charges by Benton REA for electric services.

Section 11. **Ownership of the Project**

Benton REA will have sole ownership, possession and control of the Project, and will have the exclusive right and discretion to maintain and operate such Project. Participation in the Project does not, and shall not, be construed to convey any right, title or interest in, or to, any portion of any property (tangible or intangible, real or personal) underlying or comprising any portion of the Project or its associated equipment or improvements, or any equipment of Benton REA.

Section 12. **Access to Solar Equipment at the Project Site**

Participant will not have access to the solar electricity generating, interconnection, metering, data acquisition or other equipment located at or near the Project for any purpose, unless otherwise agreed to in writing in advance by Benton REA. Such access may be withheld or granted in Benton REA's sole discretion.

Section 13. **Notice**

Only written forms of notices, requests, consents, and other communications under this Agreement are acceptable.

Section 14. **Binding Effect**

This Agreement shall bind and inure to the benefit of the Participant and Benton REA and their permitted successors and assigns.

Section 15. **No Third Party Beneficiaries**

This Agreement is intended solely for the benefit of the Participant and Benton REA. Nothing in this Agreement shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person or business entity not a party to this Agreement.

Section 16. **No Waiver**

Neither the Participant's, nor Benton REA's failure to enforce any right or obligation with respect to any matter arising in connection with this Agreement, shall constitute a waiver as to that matter or any other matter. If either Benton REA or the Participant at any time waives its rights with respect to a default under this Agreement or any other matters arising in connection with this Agreement, the waiver shall not be effective unless it is set forth in a written notice signed by the waiving party. A waiver with respect to one default or matter shall not be a waiver of any other default or matter.

Section 17. **Governing Law/Jurisdiction/Venue**

This Agreement shall be deemed to have been made in, and shall be construed under, the laws of the State of Washington, without regard to the principles of conflicts of laws thereof. The Participant and Benton REA each acknowledge and agree that a court of competent jurisdiction located in Benton County, Washington shall be the venue for any action or proceeding arising under or relating to this Agreement.

Section 18. **Entire Agreement and Amendment**

This Agreement, and the Application, constitute the entire agreement between the Participant and Benton REA with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between them. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by the Participant and Benton REA.

Section 19. **Indemnity**

Participant hereby releases and agrees to defend, indemnify and hold harmless Benton REA, its successors and assigns, and the directors, officers, employees and agents of Benton REA and their successors and assigns from any and all claims, losses, costs, liabilities, damages and expenses (including, but not limited to, reasonable attorneys' fees) arising out of or in connection with any breach of this Agreement by Participant.

Section 20. **Force Majeure**

In the event that Benton REA is prevented or delayed in performance of any of its obligations under this Agreement by an event that is beyond its reasonable control (a "Force Majeure Event"), then Benton REA's performance shall be excused for the duration of the Force Majeure Event. Force Majeure Events shall include, but not be limited to, war; terroristic acts; civil disturbances; flood, earthquake or other acts of God; storm or other condition which necessitates the mobilization of Benton REA personnel to restore electric utility service to members; laws, regulations, rules or orders of any government agency; sabotage; strikes or similar labor disputes involving personnel of Benton REA. Upon removal or termination of the Force Majeure Event, Benton REA shall promptly perform the affected obligations in an orderly and expedited manner. Benton REA shall use reasonable efforts to eliminate or minimize any delay caused by a Force Majeure Event.

Section 21. Conflict of Provisions

In the event of a conflict between the provisions of this Agreement and those contained in the Application, the provisions of this Agreement shall govern.

Section 22. Other Termination

In addition to Benton REA's rights of termination pursuant to sections 2 and 3, Benton REA reserves the right to terminate any Participant from the Program for any reason whatsoever, other than those specified in section 2 and 3, that Benton REA deems appropriate at Benton REA's sole discretion. Upon such termination pursuant to this section 22, Benton REA may, but shall not be obligated, to issue a refund to the terminated Participant of all or any portion of the amounts paid under the Program by Participant.

By: _____
(Signature)

(Print Name)

(Account Address)

(Account Number)

Dated this _____ day of _____, 2018

BENTON RURAL ELECTRIC ASSOCIATION

By: _____
Benton REA Electrical Advisor