

POWER SALES AGREEMENT
executed by the
BONNEVILLE POWER ADMINISTRATION
and
CITY OF HERMISTON, OREGON

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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 HERMISTON, OREGON (Hermiston), hereinafter individually referred to as “Party” and collectively referred to as the “Parties”. Hermiston is a municipal corporation, organized and authorized under the laws of the State of Oregon, to purchase and distribute electric power to serve retail consumers from its distribution system within its service area.

RECITALS

Hermiston’s power sales agreement Contract No. 09PB-13052 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-13052 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 Hermiston that establishes the amount of power Hermiston 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 Hermiston 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 Hermiston 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 Hermiston.
- 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 Hermiston 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 Hermiston’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 Hermiston 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 Hermiston 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 Hermiston 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 Hermiston was obligated by contract or statute to use to serve Hermiston’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 Hermiston to meet BPA’s obligations to Hermiston 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 “Fiscal Year Transfer Cap” shall have the meaning as defined in section 1 of Exhibit G.
- 2.38 “Flat Annual Shape” means a distribution of energy having the same Average Megawatt value of energy in each month of the year.
- 2.39 “Flat Within-Month Shape” means a distribution of energy having the same Average Megawatt value of energy in each Diurnal period of the month.
- 2.40 “Forecast Year” means the Fiscal Year ending one full year prior to the commencement of a Rate Period.
- 2.41 “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.
- 2.42 “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 Hermiston or Hermiston’s retail consumer is determined by the power produced from such identified electricity-producing unit. Such unit may be owned by Hermiston or Hermiston’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.
- 2.43 “Heavy Load Hours” or “HLH” shall have the meaning as defined in section 1 of Exhibit F.

- 2.44 “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 Hermiston consistent with section 8 of Exhibit A.
- 2.45 “Hours of Maximum Discharge” shall have the meaning as defined in section 6 of Exhibit J.
- 2.46 “Initial Transfer Study Deposit” shall have the meaning as defined in Exhibit G.
- 2.47 “Interchange Points” shall have the meaning as defined in section 1 of Exhibit F.
- 2.48 “Inventory” or “Inventories” shall have the meaning as defined in section 2 of Exhibit H.
- 2.49 “Issue Date” shall have the meaning as described in section 16.1.
- 2.50 “Joint Operating Entity” or “JOE” means an entity that meets the requirements of Section 5(b)(7) of the Northwest Power Act.
- 2.51 “Last Transfer Segment” shall have the meaning as defined in section 1 of Exhibit G.
- 2.52 “Light Load Hours” or “LLH” shall have the meaning as defined in section 1 of Exhibit F.
- 2.53 “Low Voltage Segment” means the facilities of a Third-Party Transmission Provider that are below 34.5kV.
- 2.54 “Maximum Charge Rate” shall have the meaning as defined in section 6 of Exhibit J.
- 2.55 “Maximum Potential CHWM” shall have the meaning as defined in section 1.2.5 of Exhibit B.
- 2.56 “Maximum Single Hour Discharge” shall have the meaning as defined in section 6 of Exhibit J.
- 2.57 “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.
- 2.58 “Network Load” shall have the meaning as defined in section 1 of Exhibit G.

- 2.59 “Network Resource” shall have the meaning as defined in section 1 of Exhibit G.
- 2.60 “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).
- 2.61 “New Resource” means: (1) a Specified Resource listed in section 2 of Exhibit A that Hermiston was or is obligated by contract to use to serve Hermiston’s Total Retail Load after September 30, 2023, and (2) any Committed Power Purchase Amounts listed in Exhibit A.
- 2.62 “**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).
- 2.63 “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.
- 2.64 “On-Site Consumer Load” means the load of an identified retail consumer of Hermiston that is electrically interconnected at the same Point of Delivery to Hermiston’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.
- 2.65 “Open Access Transmission Tariff” or “OATT” shall have the meaning as defined in section 1 of Exhibit F.
- 2.66 “Peak Load Variance Service” or “PLVS” means a resource-capacity planning-based service for instances when planned load exceeds expected load forecast values.
- 2.67 “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.
- 2.68 “Planned Transmission Outage” shall have the meaning as defined in section 1 of Exhibit F.
- 2.69 “Point of Delivery” or “POD” means the point where power is transferred from a transmission provider to Hermiston.
- 2.70 “Point of Metering” or “POM” means the point at which power is measured.

- 2.71 “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.
- 2.72 “Power Services” means the organization, or its successor organization, within BPA that is responsible for the management and sale of BPA-provided electric power.
- 2.73 “**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.
- 2.74 “Primary Points of Receipt” shall have the meaning as defined in section 14.1.
- 2.75 “**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.
- 2.76 “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).
- 2.77 “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.
- 2.78 “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.
- 2.79 “Region” means the Pacific Northwest as defined in Section 3(14) of the Northwest Power Act.
- 2.80 “Renewable Energy Certificates” or “Renewable Energy Credits” or “RECs” shall have the meaning as defined in section 2 of Exhibit H.
- 2.81 “Retire” or “Retirement” shall have the meaning as defined in section 2 of Exhibit H.
- 2.82 “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).

- 2.83 “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).
- 2.84 “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.
- 2.85 “Round Trip Efficiency” shall have the meaning as defined in section 6 of Exhibit J.
- 2.86 “Scheduling Points of Receipt” shall have the meaning as defined in section 14.1.
- 2.87 “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.
- 2.88 “Slice Percentage” means the percentage used to determine the amount of the Slice Product a customer purchases, pursuant to its CHWM Contract.
- 2.89 “Slice Product” means the power product defined in section 5 of the Slice/Block Product CHWM Contract.
- 2.90 “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.
- 2.91 “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.
- 2.92 “Storage Capacity” shall have the meaning as defined in section 6 of Exhibit J.
- 2.93 “Submitted Schedule” shall have the meaning as defined in section 3.7.
- 2.94 “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.
- 2.95 “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.

- 2.96 “Third-Party Transmission Provider” means a transmission provider other than BPA that provides transmission service to serve Hermiston’s load.
- 2.97 “Tier 1 Allowance Amount” means the aggregate total nameplate capacity of qualifying Specified Resources listed in section 2 of Exhibit A that Hermiston is applying to offset its purchase obligation in accordance with section 3.5.2.
- 2.98 “**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.
- 2.99 “Tier 1 Rate(s)” shall have the meaning as described in chapter 4 of the PRDM.
- 2.100 “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.
- 2.101 “Tier 2 Rate(s)” shall have the meaning as described in chapter 5 of the PRDM.
- 2.102 “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.
- 2.103 “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.
- 2.104 “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.
- 2.105 “Transfer Market Purchase” shall have the meaning as defined in section 1 of Exhibit G.
- 2.106 “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.

- 2.107 “Transfer Request” shall have the meaning as defined in section 1 of Exhibit G.
- 2.108 “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.
- 2.109 “Transfer Study” shall have the meaning as defined in section 1 of Exhibit G.
- 2.110 “Transmission Curtailment” shall have the meaning as defined in section 1 of Exhibit F.
- 2.111 “Transmission Curtailment Management Service” or “TCMS” shall have the meaning as defined in section 1 of Exhibit F.
- 2.112 “Transmission Event” shall have the meaning as defined in section 1 of Exhibit F.
- 2.113 “Transmission Scheduling Service” or “TSS” shall have the meaning as defined in section 1 of Exhibit F.
- 2.114 “Transmission Scheduling Service-Full” or “TSS-Full” shall have the meaning as defined in section 1 of Exhibit F.
- 2.115 “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.
- 2.116 “Transmission System Delivery Plan” or “Delivery Plan” means the plan for each Dedicated Resource serving Hermiston’s load or Consumer-Owned Resource serving On-Site Consumer Load that states the transmission system of the load that resource will serve.
- 2.117 “Uncontrollable Force” shall have the meaning as defined in section 18.
- 2.118 “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 Hermiston shall purchase, Firm Requirements Power in hourly amounts equal to Hermiston’s hourly Total Retail Load minus the hourly firm energy from each of Hermiston’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. Hermiston

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

Hermiston 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 Hermiston took delivery of such power.

3.3 Application of Dedicated Resources

Hermiston 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.

Hermiston 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 Hermiston's Net Requirement. The amounts listed are not intended to govern how Hermiston 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

Hermiston shall apply the output of all Specified Resources, listed in section 2 of Exhibit A, to Hermiston's Total Retail Load in predefined hourly amounts consistent with section 3.7 except for those Specified Resources applied to Hermiston's Tier 1 Allowance Amount, those Existing Resources that are Dispatchable Resources, and those Specified Resources that Hermiston is supporting with RSS from BPA. For those Specified Resources applied to Hermiston's Tier 1 Allowance Amount, Hermiston shall apply all of the output as it is generated to Hermiston's Total Retail Load. Hermiston shall apply all Existing Resources that are Dispatchable Resources consistent with section 4 of Exhibit J. Hermiston shall apply all Specified Resources supported with RSS from BPA to Hermiston'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 Hermiston, 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 Hermiston's Above-CHWM Load that it commits to meet with Dedicated Resources in Exhibit C, Hermiston 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. Hermiston shall apply its Committed Power Purchase Amounts, listed in section 3 of Exhibit A, to Hermiston'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 Hermiston'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 Hermiston shall have no further obligation to apply Committed Power Purchase Amounts.

3.4 Shaping of Dedicated Resources

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

3.4.1 Initial Monthly and Diurnal Resource Shapes

BPA shall initially state Hermiston'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, Hermiston 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 Hermiston's Tier 1 Allowance Amount, those Existing Resources that are Dispatchable Resources, and those Specified Resources Hermiston is supporting with RSS from BPA, for the next Rate Period. After BPA receives such written notice from Hermiston, 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, Hermiston may elect to reshape one or more of its Dedicated Resources using the allowable shapes described below. If Hermiston elects to reshape its Specified Resources, then Hermiston shall elect both a monthly and a Diurnal shape for each Specified Resource that is reshaped. If Hermiston elects to reshape its Committed Power Purchase Amounts, then the applicable monthly shape will be the Flat Annual Shape and Hermiston shall elect a Diurnal shape.

3.4.3.1 Specified Resources

For each Specified Resource listed in section 2 of Exhibit A Hermiston 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

Hermiston 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

Hermiston 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 Hermiston's Tier 1 Allowance Amount, those Existing Resources that are Dispatchable Resources, and those Specified Resources Hermiston 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, Hermiston 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 Hermiston 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) Hermiston 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 Hermiston's elections by March 31 following Hermiston'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, Hermiston 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. Hermiston'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

Hermiston'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 Hermiston's CHWM reflected as a megawatt value. Such value will be considered the Tier 1 Allowance Amount limit. If BPA changes Hermiston's CHWM consistent with section 1.2 of Exhibit B, then BPA shall recalculate Hermiston's Tier 1 Allowance Amount limit and update Exhibit J if necessary. If Hermiston 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 Hermiston's Tier 1 Allowance Amount limit, BPA will determine on a case-by-case basis the treatment of Hermiston's resource(s).

3.5.2.2 Qualifying Specified Resources For Tier 1 Allowance Amount

Any Specified Resource Hermiston 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 Hermiston's distribution system, regardless of voltage, and does not utilize BPA or Third-Party Transmission Provider transmission facilities; and,
- (3) the Specified Resource reduces Hermiston's Total Retail Load.

3.5.3 Resource Additions for a BPA Insufficiency Notice

If BPA provides Hermiston a notice of insufficiency and reduces its purchase obligation, in accordance with section 20.2, then Hermiston 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 Hermiston, then BPA shall notify Hermiston of the amount and duration of the reduction in Hermiston's Firm Requirements Power purchases from BPA. Within 20 calendar days of such notification Hermiston may temporarily add a Specified Resource to section 2 of Exhibit A in the amount and for the duration of such decrement. If Hermiston 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 Hermiston's Dedicated Resource amounts listed in the tables of Exhibit A consistent with Hermiston's resource removal elections made in accordance with section 10.

3.5.6 Permanent Discontinuance of Resources

Hermiston 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 Hermiston's Specified Resource has met BPA's standards for a permanent removal, then BPA shall revise Exhibit A accordingly. If Hermiston does not replace such resource with another Dedicated Resource, then Hermiston'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 Hermiston acquires an Annexed Load, Hermiston 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 Hermiston 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 Hermiston acquires an Eligible Annexed Load, Hermiston 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 Hermiston elects to serve such load with Dedicated Resources, then Hermiston shall apply such resources for the remainder of the Rate Period. If Hermiston 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 Hermiston acquires an Eligible Annexed Load, Hermiston shall serve such load pursuant to Hermiston'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, Hermiston may add Dedicated Resources to section 4 of Exhibit A. Hermiston may discontinue serving its NLSL with the Dedicated Resources listed in section 4 of Exhibit A if BPA determines that Hermiston's NLSL is no longer: (1) an NLSL, or (2) in Hermiston's service territory.

3.5.8.2 If Hermiston elects to serve a Planned NLSL or an NLSL with Dedicated Resources, then Hermiston shall specify in section 4 of Exhibit A the maximum monthly and Diurnal Dedicated Resource amounts that Hermiston plans to use to serve the NLSL. Hermiston 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. Hermiston 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, Hermiston 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 Hermiston 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. Hermiston 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 Hermiston has applied to load consistent with section 20.3, Hermiston shall apply the output of Consumer-Owned Resources as follows:

3.6.1 Existing Consumer-Owned Resources

Hermiston 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. Hermiston shall make such designation to BPA in writing no later than 60 calendar days after BPA publishes, to its publicly available website, Hermiston'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

Hermiston 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. Hermiston 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 Hermiston'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. Hermiston 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 Hermiston's Total Retail Load used to bill for energy purchases to ensure Hermiston 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 Hermiston provides to BPA as follows:

- (1) Commensurate with Hermiston's designation under section 3.6.2 above, Hermiston 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 Hermiston has not provided sufficient information, or if the Consumer-Owned Resource exceeds On-Site Consumer Load, then Hermiston 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.

Hermiston 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.

Hermiston must ensure that the Consumer-Owned Resources do not cause negative flow through Hermiston's Point of Delivery behind which the resource is located. If negative flow occurs, then BPA shall pass through and Hermiston 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

Hermiston 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 Hermiston 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 Hermiston designates a Consumer-Owned Resource to serve both On-Site Consumer Load and load other than On-Site Consumer Load, then Hermiston 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 Hermiston selects this Option A, then Hermiston 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 Hermiston 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 Hermiston selects this Option B, then Hermiston 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. Hermiston 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 Hermiston 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 Hermiston 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 Hermiston 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 Hermiston'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

Hermiston 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, Hermiston 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"). Hermiston 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 Hermiston'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 Hermiston 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

Hermiston 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 Hermiston's Submitted Schedule would otherwise have amounts in fractional megawatts-per-hour, then Hermiston 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 Hermiston in accordance with Exhibit H.

4. THIS SECTION INTENTIONALLY LEFT BLANK

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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 Hermiston through such judicial review shall be Hermiston'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 Hermiston'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 Hermiston's CHWM in the FY 2026 CHWM Calculation Process and revise Exhibit B to state Hermiston's CHWM. Once established, BPA may only adjust Hermiston's CHWM as permitted pursuant to Exhibit B. After any adjustment, BPA shall revise Exhibit B to state Hermiston'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. Hermiston 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 Hermiston's purchases as follows:

- (1) Tier 1 Rates shall apply to Firm Requirements Power that Hermiston purchases under this Agreement, less: (A) amounts of Firm Requirements Power priced at Tier 2 Rates elected by Hermiston 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 Hermiston elects to purchase to serve its Above-CHWM Load, pursuant to Exhibit C, that remain after applying Hermiston'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, Hermiston 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 Hermiston's Above-CHWM Load in the Above-CHWM Load Process ahead of each Rate Period.

Hermiston 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, Hermiston's final CHWMs from the FY 2026 CHWM Calculation Process, Hermiston 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 Hermiston'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 Hermiston shall be equal in all hours of the year.

10. TIER 2 REMARKETING AND RESOURCE REMOVAL

Under this section 10, Hermiston 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, Hermiston 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 Hermiston's Above-CHWM Load as forecasted for each Fiscal Year of an upcoming Rate Period is less than the sum of: (1) Hermiston'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) Hermiston shall temporarily remove its eligible New Resource amounts, and
- (2) BPA shall remarket Hermiston'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 Hermiston's New Resource amounts plus its Tier 2 Rate purchase obligation amounts exceed its Above-CHWM Load, or (2) all of Hermiston's New Resources are removed and all of its Tier 2 Rate purchase obligation amounts are remarketed.

10.1.1 If Hermiston has more than one New Resource, then by October 31 of each Rate Case Year, Hermiston shall notify BPA of the order and associated amounts of Hermiston's New Resources that Hermiston 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 Hermiston fails to notify BPA in accordance with section 10.1.1, then BPA shall determine the order and associated amounts of Hermiston'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 Hermiston to remove part or all of any New Resource amounts that Hermiston uses to fulfill a state or federal renewable resource standard or other comparable legal obligation, then by October 31 of each Rate Case Year Hermiston may request for BPA to remarket the same amount of Tier 2 Rate purchase obligation amounts until all of Hermiston's Tier 2 Rate purchase obligation amounts are remarketed. Following such remarketing, Hermiston 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 Hermiston would have otherwise been obligated to remove.

10.1.4 If: (1) Hermiston 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) Hermiston 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 Hermiston to remove part or all of its New Resource amounts, then Hermiston may request for BPA to first remarket the Tier 2 Vintage Rate purchase obligation amounts until all of Hermiston'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

Hermiston 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, Hermiston 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 Hermiston 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 Hermiston 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 Hermiston 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 Hermiston 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 Hermiston'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, Hermiston 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. Hermiston's notice shall state: (1) the purchase obligation request, and (2) the Rate Period Hermiston requests the change to be effective. The latest date that Hermiston 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 Hermiston requests to join a JOE for service under the JOE's CHWM Contract effective October 1, 2028, then Hermiston'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 Hermiston's and the JOE's purchase obligations. Receiving service under the JOE CHWM Contract will not constitute a change to Hermiston'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 Hermiston have the same purchase obligation when Hermiston requests to join the JOE, then Hermiston'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 Hermiston have different purchase obligations, including different Block purchase obligations, when Hermiston requests to join the JOE, then Hermiston'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 Hermiston's notice under section 11.2, BPA shall evaluate the impact of Hermiston'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 Hermiston's purchase obligation, and (2) the peak amounts of Hermiston's Dedicated Resource(s) as stated in Exhibit A.

If after its evaluation BPA determines that Hermiston'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 Hermiston's request and directly assign any costs as stated in section 11.6 below; or
- (2) approve Hermiston's request without directly assigning such costs; or
- (3) deny Hermiston'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 Hermiston'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 Hermiston's request but defer the date on which Hermiston'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 Hermiston's request to change its purchase obligation.

BPA will not withhold its approval of Hermiston'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, Hermiston'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 Hermiston 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 Hermiston 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) Hermiston shall be responsible for fulfilling all rights, obligations, and liabilities associated with its prior purchase obligation, and (2) Hermiston 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 Hermiston 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 Hermiston

makes a request to change its purchase obligation, then BPA shall notify Hermiston of any such additional charges. BPA shall not be required to make a payment to Hermiston as a result of Hermiston changing its purchase obligation.

11.7 Change Confirmation

Within 30 calendar days of BPA's presentation to Hermiston of the additional charges determined in section 11.6, and Hermiston's maximum Slice Percentage calculated pursuant to section 11.9, if applicable, Hermiston 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 Hermiston's confirmation of its decision to change its purchase obligation, the Parties shall amend this Agreement to replace the terms of Hermiston'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 Hermiston requests to change to the Slice/Block Product, then BPA shall calculate Hermiston'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:

Available Slice Product = (25% (sum of initial FY 2026 CHWMs)) – (50% (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 Hermiston.

- (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 Hermiston of the available amounts of Slice Product available in accordance with section 11.7. Hermiston shall provide a change confirmation to BPA pursuant to section 11.7. Hermiston'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 Hermiston of the amounts of Slice Product and Hermiston shall provide BPA with a change confirmation pursuant to section 11.7. Hermiston'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 Hermiston develops a Generating Resource or engages in conservation activities independently undertaken to serve its loads, then Hermiston 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 Hermiston'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, Hermiston agrees it will not seek and shall not receive residential exchange benefits pursuant to Section 5(c) of the

Northwest Power Act. Hermiston's agreement in this section 12.2 is a material precondition to BPA offering and executing this Agreement.

13. SCHEDULING

From October 1, 2028, through September 30, 2044, Power Services shall provide and Hermiston shall purchase Transmission Scheduling Service. The Parties shall administer Hermiston's Transmission Scheduling Service consistent with Exhibit F.

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 Hermiston 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 Hermiston for purposes of acquiring transmission service and transmission scheduling.

14.2 Transmission Service

14.2.1 Hermiston is responsible for acquiring transmission service to deliver power from the Scheduling Points of Receipt, subject to the provisions included in section 14.6.

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

14.2.3 At Hermiston's request, Power Services shall provide Hermiston with Primary Points of Receipt and other information needed to enable Hermiston 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 Hermiston with Scheduling Points of Receipt. Power Services has the right to provide power to Hermiston at Scheduling Points of Receipt that are different than the Primary Points of Receipt. If BPA does provide power to Hermiston at Scheduling Points of Receipt that are different than the Primary Points of Receipt, then BPA shall reimburse Hermiston for any incremental, direct, non-administrative costs incurred by Hermiston to comply with delivering Firm Requirements Power from such Scheduling Points of Receipt to Hermiston's load if the following conditions, as outlined in (1) or (2) below, have been met:

- (1) If Hermiston 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) Hermiston 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) Hermiston 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) Hermiston's transmission schedule was curtailed due to non-firm status under PTP Transmission Service or Hermiston can provide proof of the reimbursable costs incurred to replace the curtailed schedule.
- (2) If Hermiston 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) Hermiston 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) Hermiston's transmission schedule was curtailed due to non-firm status under its secondary service status and Hermiston can provide proof of the reimbursable costs incurred to replace the curtailed schedule.

14.3 **Liability for Delivery**

Hermiston 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 Hermiston'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 Hermiston's PODs and the respective POMs, as specified in Exhibit E.

14.6 Delivery by Transfer

Subject to the limitations in this section, BPA agrees to acquire and pay for Transfer Service assessed by the Third-Party Transmission Provider to deliver Firm Requirements Power and Surplus Firm Power to Hermiston's Transfer Service PODs, as listed in Exhibit E, in an amount not to exceed Hermiston's Total Retail Load on an hourly basis.

BPA and Hermiston will coordinate: (1) to ensure that Hermiston's relevant characteristics and plans are communicated to the Third-Party Transmission Provider, (2) to confirm that Hermiston is aware of relevant details of the Transfer Service it acquires to serve Hermiston's load, and (3) to resolve any issues Hermiston may have related to the Transfer Service BPA acquires to serve the load.

BPA shall pass through to Hermiston the cost of Transfer Service assessed by the Third-Party Transmission Provider for power sold at the NR Rate, including ancillary services and real power losses, in accordance with any applicable BPA Power Rate Schedules and GRSPs.

14.6.1 Ancillary Services

BPA shall acquire and pay for ancillary services charged by a Third-Party Transmission Provider needed to deliver Firm Requirements Power and Surplus Firm Power to Hermiston's Transfer Service PODs listed in Exhibit E.

If at any time Hermiston is not purchasing a specific ancillary service from Transmission Services to deliver Firm Requirements Power and Surplus Firm Power to one or more of the PODs listed in Exhibit E, then Hermiston shall pay Power Services any applicable charge(s) for such ancillary service to deliver power to the POD(s) in accordance with the applicable BPA Power Rate Schedules and GRSPs.

14.6.2 Low Voltage Delivery

Low voltage delivery is transmission service over the Low Voltage Segment by any Third-Party Transmission Provider's system. For low voltage delivery to identified PODs in Exhibit E, Hermiston shall pay Power Services the applicable Transfer Service Delivery Charge rate, or its successor, consistent with the applicable BPA Power Rate Schedules and GRSPs. BPA shall pass through to Hermiston any

costs associated with delivery to identified PODs in Exhibit E over a Low Voltage Segment that is not subject to the Transfer Service Delivery Charge.

14.6.3 Direct Assignment Costs

Hermiston shall pay BPA for all directly assigned costs consistent with: (1) Transmission Services' "BPA Facility Ownership and Cost Assignment Guidelines" or its successor, and (2) the "Supplemental Guidelines for Direct Assignment of Facilities Costs Incurred Under Transfer Agreements" under the applicable BPA Power Rate Schedules and GRSPs. Such costs include but are not limited to: facility, system and generation interconnection study costs, construction costs, upgrade costs, and expansion costs, or other capital costs for facilities directly associated with service to any Hermiston PODs assessed by the Third-Party Transmission Provider to BPA. BPA shall pass through to Hermiston any credits received by BPA from the Third-Party Transmission Provider from the payment of such directly assigned costs.

14.6.4 Penalties Assessed By the Third-Party Transmission Provider

BPA has the right to pass through to Hermiston any penalty charges assessed by the Third-Party Transmission Provider that are associated with BPA's acquisition of Transfer Service to the PODs identified in Exhibit E, except to the extent the penalty is a result of a BPA error. Such charges may include but are not limited to power factor penalties or excessive energy imbalance penalties.

14.6.5 Removal of PODs

BPA may terminate deliveries at a POD if Hermiston consents to the termination or if the Parties determine that Hermiston's requirements for power at such point may be adequately supplied under reasonable conditions and circumstances at different POD(s): (1) directly from the Federal Columbia River Transmission System, (2) indirectly from the facilities of another transmission owner/operator, or (3) both.

14.6.6 Annexed Loads

BPA shall arrange and pay for Transfer Service to serve Hermiston's Annexed Load subject to the limitations in this section 14.6 and Exhibit G. Hermiston shall provide BPA written notice of any Annexed Load acquired greater than one Average Megawatt as soon as possible, but no later than 180 days prior to the commencement of service to the Annexed Load. However, BPA's obligation to provide Transfer Service to Hermiston's Annexed Load shall be limited as set forth in section 6.2.7 of BPA's Provider of Choice Policy, March 2024, as amended or revised.

14.6.7 Non-Federal Deliveries

Subject to the limitations in this section 14.6 and Exhibit G, BPA agrees to acquire and pay the Third-Party Transmission Provider for

Transfer Service to deliver Transfer Service Eligible Resources to Hermiston's Transfer Service PODs, as listed in Exhibit E, in an amount not to exceed Hermiston's Total Retail Load on an hourly basis.

If Hermiston has or is acquiring a Transfer Service Eligible Resource and Hermiston has requested that BPA assist in the acquisition of transmission services for such resource, then the Parties shall revise section 7 of Exhibit J to include specific terms and conditions under which BPA will obtain Transfer Service on a Third-Party Transmission Provider's system for delivery of that resource to Hermiston's system.

14.6.7.1 BPA shall pass through to Hermiston the cost of Transfer Service assessed by the Third-Party Transmission Provider for: (1) any service to a Planned NLSL or an NLSL pursuant to section 1 of Exhibit D where Hermiston has elected to serve the NLSL with a Transfer Service Eligible Resource, regardless of the Delivery Plan for such resource, (2) any Transfer Service Eligible Resource serving a portion of Hermiston's Total Retail Load that Hermiston is obligated to serve with BPA-provided electric power pursuant to this Agreement, or (3) any Transfer Service Eligible Resource that Hermiston is not acquiring and paying for transmission service from Transmission Services for such Transfer Service Eligible Resource.

14.6.7.2 Hermiston shall notify BPA if it intends to acquire any new non-federal resources serving Hermiston's Transfer Service PODs with a nameplate capability under 1 MW. If BPA notifies Hermiston that the new non-federal resource is subject to requirements from the Third-Party Transmission Provider, then such resource shall be treated as a Transfer Service Eligible Resource and subject to the requirements in this section 14.6.7 and Exhibit G. BPA may require metering and scheduling for any such non-federal resources consistent with the metering and scheduling requirements for Dedicated Resources.

14.6.8 Unavailability of Transmission Service

14.6.8.1 BPA shall acquire and pay for Hermiston's firm Transfer Service when firm transmission is available. If a Third-Party Transmission Provider: (1) has indicated that long-term firm transmission service necessary to deliver power to any portion of Hermiston's load served by Transfer Service is unavailable and (2) identifies upgrades that are necessary to deliver power to Hermiston on firm transmission to such load on a long-term basis, then BPA shall attempt to acquire non-

firm transmission, or other mutually agreed to interim solution, from the Third-Party Transmission Provider to serve Hermiston's load on an interim basis until the identified upgrades are completed and firm transmission is available.

- (1) If a Third-Party Transmission Provider has indicated that neither firm nor non-firm transmission service necessary to deliver power to any portion of Hermiston's load served by Transfer Service is available, then (A) BPA shall have no obligation to deliver power under this Agreement to serve such load until that Third-Party Transmission Provider is able to provide transmission service and (B) Hermiston shall not continue forward to serve the load in excess of available transmission service from that Third-Party Transmission Provider.
- (2) If a Third-Party Transmission Provider identifies upgrades necessary to deliver power on firm transmission to any portion of Hermiston's load served by Transfer Service on a long-term basis and Hermiston declines to pay any costs or deposits that the Third-Party Transmission Provider requires to proceed with the upgrades consistent with section 14.6.3, then (A) BPA shall have no obligation to deliver power under this Agreement to serve such load, and (B) Hermiston shall not continue forward to serve the load in excess of available transmission service from that Third-Party Transmission Provider.
- (3) Notwithstanding the above, if a Third-Party Transmission Provider has determined transmission service is unavailable and Hermiston continues forward to serve the load in excess of the available transmission service, then BPA shall pass through to Hermiston any charges related to transmission service to Hermiston's load that the Third-Party Transmission Provider has indicated is unavailable.

14.6.8.2 Prior to any deliveries to any portion of Hermiston's load served by Transfer Service using non-firm transmission or other mutually agreed to interim solution, pursuant to this section 14.6.8, BPA will inform Hermiston of the terms of service associated with such non-firm transmission arrangements, or other mutually agreed to interim solution, and the Parties shall include such terms in Exhibit D.

14.6.8.3 BPA shall not be liable for any damages incurred by Hermiston associated with the Third-Party Transmission

Provider's inability to provide firm or non-firm transmission, BPA's inability to acquire transmission service, curtailment of non-firm transmission service, or unserved load.

14.6.9 Changes to Hermiston's Third-Party Transmission Provider Transmission Needs

As soon as possible, Hermiston shall notify and coordinate with BPA for any significant anticipated changes that would require Hermiston to need additional transmission from a Third-Party Transmission Provider. In the event that multiple customers require and request capacity on any portion of the Third-Party Transmission Provider system, BPA shall address requests, including those in section 14.6.8, on a first come first served basis.

If Hermiston fails to notify and coordinate with BPA for any transmission needs greater than one megawatt, then for up to five years, BPA, in its sole discretion, may pass through any Third-Party Transmission Provider costs, including the cost of Transfer Service, related to the transmission needs that Hermiston failed to communicate.

14.6.10 If, during the term of this Agreement, Hermiston becomes entirely directly-connected to BPA's transmission system and is served entirely without Transfer Service, then upon notification from BPA, this Agreement shall be amended to remove Transfer Service-related provisions, including the provisions of this section 14.6 and Exhibit G.

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 Hermiston'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 Hermiston 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 Hermiston 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 Hermiston's power needs under this Agreement consistent with Hermiston's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Hermiston has with BPA. Hermiston authorizes BPA to maintain and replace any BPA owned metering equipment on Hermiston'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, Hermiston shall grant BPA reasonable physical access to BPA owned meters at BPA's request, consistent with Hermiston's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Hermiston 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 Hermiston's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Hermiston has with BPA. Hermiston 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 Hermiston's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Hermiston has with BPA.

15.3 Non-BPA Owned Meters

15.3.1 Non-BPA Owned Meters Owned by Hermiston

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

- (1) points of interconnection between Hermiston'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 Hermiston's system.

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

If, at any time, BPA or Hermiston determines that a Hermiston owned meter listed in Exhibit E is defective or inaccurate, then Hermiston 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 Hermiston on Hermiston owned meters listed in Exhibit E. The exercise of such right shall be conducted consistent with the applicable requirements, if any, of Hermiston's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Hermiston has with BPA.

15.3.2 Non-BPA Owned Meters Not Owned by Hermiston

For non-BPA owned meters not owned by Hermiston, and excluding such in section 15.3.3 below, needed by BPA to forecast, plan, schedule and bill for power under this Agreement, Hermiston 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 Hermiston listed in Exhibit E is defective or inaccurate, then Hermiston 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 Hermiston listed in Exhibit E, consistent with Hermiston's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Hermiston has with BPA as well as any applicable agreements Hermiston 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 Hermiston 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 Hermiston 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 Hermiston's PODs, POMs, Interchange Points, as applicable, and related information in Exhibit E.

16. BILLING AND PAYMENT

16.1 Billing

BPA shall electronically bill Hermiston 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 Hermiston. BPA may send Hermiston 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 Hermiston.

16.2 Payment

Hermiston 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 Hermiston has made payment on an estimated bill then:

- (1) if the amount of the final bill exceeds the amount of the estimated bill, then Hermiston 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 Hermiston 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 Hermiston 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 Hermiston has not paid its bill in full by the Due Date, then BPA shall notify Hermiston of nonpayment. Hermiston shall have 45 calendar days after receipt of the written notice to cure its nonpayment by making payment in full. If Hermiston does not provide full payment within the 45-day cure period, then BPA shall send an additional written notice of nonpayment to Hermiston. Hermiston shall then have three Business Days after receipt of the additional written notice to provide payment. If Hermiston has not provided payment within three Business Days after receipt of the additional written notice and BPA determines in its sole discretion that Hermiston 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 Hermiston disputes any portion of a charge or credit on Hermiston's estimated or final bills, Hermiston 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, Hermiston shall pay the entire bill by the Due Date. This section 16.5.1 does not allow Hermiston 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, Hermiston 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 Hermiston'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, Hermiston 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 Hermiston fails to provide BPA with information Hermiston 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 Hermiston has provided such information to BPA.

17.2 Reports

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

of its Annual Form EIA-861 Reports to BPA at kslf@bpa.gov. If Hermiston 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, Hermiston 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 Hermiston 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 Hermiston: (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 Hermiston 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 Hermiston, including no obligation to provide the identities of such end-use consumers.

Hermiston 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 Hermiston 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 Hermiston 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. Hermiston 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: Hermiston's actual amounts of energy used, expended, or stored for loads, resources, and Energy Storage Devices, and the physical attributes of Hermiston's meters.

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

17.3.2 Hermiston consents to allow Power Services to receive the following information from Transmission Services and BPA's metering function: (1) Hermiston'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 Hermiston'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 Hermiston shall provide BPA with advance notice by e-mailing BPA at mdm@bpa.gov and the contacts shown in section 1 of Exhibit I.

Hermiston 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 Hermiston 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, Hermiston shall provide to BPA any load and resource information that BPA determines is reasonably necessary to calculate Hermiston'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 Hermiston's monthly energy and Hermiston's system coincidental peak of Hermiston'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 Hermiston and all other BPA regional utility customers with a CHWM:

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

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

17.7 Confidentiality

Before Hermiston provides information to BPA that is confidential, or is otherwise subject to a privilege or nondisclosure, Hermiston shall clearly designate such information as confidential. BPA shall notify Hermiston 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

Hermiston shall list in section 6 of Exhibit A all Generating Resources Hermiston 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, Hermiston 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 Hermiston;
- (2) any failure of Hermiston's distribution or transmission facilities that prevents Hermiston 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. Hermiston 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 Hermiston 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 Hermiston 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.

Hermiston may request that BPA engage in binding arbitration to resolve any dispute. If Hermiston 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 Hermiston engage in binding arbitration to resolve any dispute. In response to BPA's request, Hermiston 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 Hermiston 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

Hermiston 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 Hermiston's retail rate schedule effective dates. This requirement may be satisfied by Hermiston 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 Hermiston a written notice that BPA may restrict service to Hermiston. 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 Hermiston'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 Hermiston. If BPA imposes a restriction under this provision then the amount of Firm Requirements Power that BPA is obligated to provide and that Hermiston 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

Hermiston 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.

Hermiston's Potential NLSLs, Planned NLSLs, and NLSLs shall be subject to monitoring as determined necessary by BPA. For the purposes of section 2.71, 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 Hermiston 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 Hermiston'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 Hermiston'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, Hermiston 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. Hermiston 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, Hermiston may install meters meeting specifications BPA provides to Hermiston. Hermiston 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. Hermiston shall coordinate with BPA and the end-use consumer to arrange for metering locations that allow accurate measurement of the load at a facility. Hermiston shall arrange for BPA to have physical access to such meters and Hermiston 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 Hermiston 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 Hermiston'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. Hermiston 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, Hermiston shall make a service request or election for the NLSL pursuant to section 20.3.6.

If BPA concludes in its sole judgment that Hermiston 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 Hermiston shall be billed and pay in accordance with the preceding paragraph. Such NLSL determination shall be final unless Hermiston 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 Hermiston 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 Hermiston 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 Hermiston’s Cumulative Prior Load and include the amount of Cumulative Prior Load in the calculation of Hermiston’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 Hermiston’s load at a facility that BPA will include in its calculation of Hermiston’s Firm Requirements Power eligible for service at BPA’s PF rates. BPA may adjust the fixed amount of Hermiston’s load at a facility that BPA will include in its calculation of Hermiston’s Firm Requirements Power eligible for service at BPA’s PF rates if Hermiston’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 Hermiston's Firm Requirements Power calculation shall be part of Hermiston'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 Hermiston's Firm Requirements Power eligible for service at BPA's PF rates.

20.3.6 Service Options for Planned NLSLs and NLSLs

Hermiston 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 Hermiston's Total Retail Load in the Region. If Hermiston elects to serve its NLSL with Dedicated Resource or Consumer-Owned Resource Amounts, then such election shall be binding on Hermiston 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 Hermiston serves any Planned NLSL or NLSL with Committed Power Purchase Amounts, then Hermiston 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 Hermiston has existing Planned NLSLs or NLSLs as of the Effective Date of this Agreement, and if Hermiston 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 Hermiston's default election for all such existing Planned NLSLs and NLSLs shall be consistent with section 20.3.6(1) above.

If Hermiston changes its purchase obligation pursuant to section 11 of this Agreement, and (1) Hermiston has requested and BPA has started an NLSL service study or (2) Hermiston 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 Hermiston would like BPA to serve a Planned NLSL or an NLSL at the NR Rate, then Hermiston shall submit a written request to BPA for an NLSL service study no sooner than the Effective Date of this Agreement.

Hermiston shall provide BPA all information requested by BPA necessary to study Hermiston'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 Hermiston'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 Hermiston apprised of its study progress. BPA shall bill Hermiston and Hermiston 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 Hermiston 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 Hermiston is necessary to facilitate arrangements between Hermiston and Transmission Services for delivery of Firm Requirements Power to Hermiston to serve a Planned NLSL or an NLSL under Hermiston's transmission service agreement with Transmission Services.

Within 90 calendar days of receipt of the NLSL service study summary report, Hermiston 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 Hermiston for the remaining term of this Agreement.

If Hermiston 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 Hermiston's elected service start date at the NR Rate, Hermiston 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, Hermiston 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 Hermiston 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, Hermiston 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 Hermiston'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 Hermiston's initial forecast to be unreasonable, then BPA may replace Hermiston's initial forecast with a final forecast that BPA develops. If Hermiston 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

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

For purposes of determining Hermiston's monthly power billing determinants, the load at a facility will be calculated by subtracting the actual generation from Hermiston'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 Hermiston'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.

Hermiston 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) Hermiston'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 Hermiston'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 Hermiston meets the criteria above and BPA grants Hermiston'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. Hermiston, together with other customers in the Region, shall have priority to electric power consistent with such provisions.

20.5 Prohibition on Resale

Hermiston shall not resell Firm Requirements Power except to serve Hermiston'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, Hermiston shall provide notice to BPA of any firm power from Hermiston's Generating Resources during its term, listed in Exhibit A that has been used to serve firm consumer load in the Region and that Hermiston 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 Hermiston shall provide within 30 calendar days of such request, additional information on Hermiston's sales and dispositions of non-federal resources if BPA has information that Hermiston may have made such an export and not notified BPA. BPA may request and Hermiston shall provide within 30 calendar days of such request, information on the planned use of any or all of Hermiston's Generating Resources.

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

20.6.2 Hermiston 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 Hermiston 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 Hermiston 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, Hermiston's participation in such market will not be considered an export outside the Region, provided Hermiston's dedicated non-federal power obligation remains unchanged from the amount identified in Exhibit A. Hermiston's participation in an organized market shall not increase the firm energy requirements of Hermiston 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 Hermiston's request, and to the extent BPA determines it is practicable, BPA shall provide Hermiston 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. Hermiston 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 Hermiston to such policy by execution of this Agreement, nor shall it be construed to be a waiver of the right of Hermiston to seek judicial review of any such policy.

21.7 Rate Covenant and Payment Assurance

Hermiston 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 Hermiston to make the payments required under this Agreement, or (2) BPA identifies in a letter to Hermiston that BPA has other reasonable grounds to conclude that Hermiston may not be able to make the payments required under this Agreement. If Hermiston 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 Hermiston 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 Hermiston 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 Hermiston's load and resources in compliance with WRAP requirements. Consistent with this section 22, section 17, and section 5 of Exhibit J,

Hermiston shall provide BPA with any necessary and requested information, forecasts, and attestations associated with Hermiston's Dedicated Resources and Consumer-Owned Resources serving On-Site Consumer Load.

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

22.1.2 BPA may request a signed Joint Contract Accreditation Form (JCAF) from Hermiston for any Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load relevant to the WRAP. Hermiston 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. JCAs 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 Hermiston'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 Hermiston's resources, to Hermiston, 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 Hermiston'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, Hermiston 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, Hermiston notices relevant to WRAP, pass through charges for resources (subject to the limitations in section 22.2 above), terms related to JCAs, load exclusions, and any other terms necessary to facilitate BPA's participation in WRAP.

In addition, if after June 30, 2027 Hermiston elects to apply a Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load to load for the first time, then Hermiston 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 Hermiston for which BPA is not the exclusive wholesale provider and that is excluded from BPA's WRAP participation.

Hermiston'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 Hermiston'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 Hermiston a contract amendment using the amendment template. Hermiston's agreement to such amendment consistent with this section 23 shall not be unreasonably withheld.

Following BPA joining a day-ahead market to serve Hermiston'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) Hermiston fails to make payment as required by section 16.4, or
- (2) Hermiston 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 HERMISTON, OREGON

UNITED STATES OF AMERICA

Department of Energy

Bonneville Power Administration

By _____

By _____

Name Doug Primmer
(Print/Type)

Name Andrew Miller
(Print/Type)

Title Mayor, City of Hermiston

Title Account Executive

Date _____

Date _____

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Exhibit A
NET REQUIREMENTS AND RESOURCES

1. NET REQUIREMENTS

BPA shall establish Hermiston's Net Requirement based on its Total Retail Load minus: (1) Hermiston'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 Hermiston'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

Hermiston 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 Hermiston'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

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

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

Hermiston 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

Hermiston 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

Hermiston 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, Hermiston 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, Hermiston 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, Hermiston 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, Hermiston 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, Hermiston 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 Hermiston elects the HLH Diurnal Shape for its Specified Resources, then Hermiston 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. Hermiston shall submit the tables to BPA when Hermiston makes its reshaping elections. BPA shall update the appropriate Dedicated Resource amounts pursuant to Hermiston's submitted elections and consistent with section 3.4.2 of the body of this Agreement.

8.2 Committed Power Purchase Amounts

If Hermiston elects the HLH Diurnal Shape for its Committed Power Purchase Amounts, then Hermiston 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. Hermiston 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 Hermiston's submitted elections and consistent with section 3.4.2 of the body of this Agreement. BPA shall calculate Hermiston'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) Hermiston's elections regarding the application and use of all resources owned by Hermiston and Hermiston'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 Hermiston's CHWM. Once established, BPA may only adjust Hermiston'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 Hermiston's CHWM pursuant to this section 1.2. BPA shall notify Hermiston of any adjustments and the date such adjustment will be effective.

1.2.1 Corrections for NLSLs

If after BPA establishes Hermiston's CHWM pursuant to section 7 of the body of this Agreement, BPA determines that a load included in Hermiston's Total Retail Load in the CHWM calculation was an NLSL or became an NLSL in FY 2023, then BPA shall adjust Hermiston's CHWM by removing the FY 2023 load associated with the NLSL from Hermiston'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 Hermiston written notice of the CHWM adjustment and its effective date, and will provide Hermiston with a revised Exhibit B. In the event of an adjustment, and subject to any applicable statute of limitations, Hermiston 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 Hermiston annexes load from a utility that has a CHWM Contract, then BPA shall increase Hermiston's CHWM in an amount determined as follows:

- (1) If Hermiston and the other utility involved in the annexation agree on the amount of the CHWM transfer to Hermiston, then BPA shall adopt that amount if BPA determines such amount is reasonable.
- (2) If Hermiston and the other utility cannot agree on the amount of the CHWM transfer to Hermiston, 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

Hermiston'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
Hermiston 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 Hermiston and the other utility after the transfer exceed the total CHWM amount of Hermiston 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 Hermiston begins service to the Annexed Load.

1.2.3 **Ceded Load**

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

- (1) If Hermiston 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 Hermiston 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 Hermiston 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 Hermiston and the other utility:

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

In no event shall the total CHWM amount of Hermiston and the other utility after the transfer exceed the total CHWM amount of Hermiston 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 Hermiston'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 Hermiston 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 Hermiston qualifies for the Small Utility Adjustment. If Hermiston is eligible for the Small Utility Adjustment, then BPA shall also determine Hermiston'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 Hermiston'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 Hermiston's Maximum Potential CHWM.

Eligible for Small Utility Adjustment	Maximum Potential CHWM

If Hermiston 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 Hermiston's CHWM.

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

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

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

For any Rate Period that BPA adjusts Hermiston'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 Hermiston written notice of the CHWM adjustment and revised Exhibit B. For purposes of the Tier 1 Marginal Energy True-Up rate, Hermiston'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 Hermiston'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, Hermiston 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 Hermiston 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 Hermiston'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**
Hermiston shall purchase and BPA shall serve all of Hermiston'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**
Hermiston shall purchase and BPA shall provide up to a fixed Average Megawatt amount of Hermiston'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, Hermiston 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								
Note: 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**

Hermiston 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, Hermiston 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.

Hermiston 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								
<u>Note:</u> the amount in the table should be rounded to three decimal places.								

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

Hermiston's total Tier 2 Rate purchase obligation amount(s) that BPA shall provide and Hermiston 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 Hermiston elects option B, C, or D under section 2.1 above, then by July 31, 2027, Hermiston 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 Hermiston's election for all Rate Periods through the term of the Agreement in the table below.

By July 31 of each Forecast Year, Hermiston 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 Hermiston'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

Hermiston 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 Hermiston 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 Hermiston is obligated to purchase at the Tier 2 Long-Term Rate for the upcoming Rate Period as follows.

If Hermiston elects option A under section 2.1, then the amount of Firm Requirements Power Hermiston is obligated to purchase at the Tier 2 Long-Term Rate shall equal Hermiston'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 Hermiston elects option B under section 2.1, then the amount of Firm Requirements Power Hermiston is obligated to purchase at the Tier 2 Long-Term Rate shall be the lesser of Hermiston'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 Hermiston elects option C under section 2.1, then the amount of Firm Requirements Power Hermiston is obligated to purchase at the Tier 2 Long-Term Rate shall equal the amount of Hermiston'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

Hermiston 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) Hermiston submits a written request to BPA prior to August 1, 2027, and (2) BPA has not acquired power for the purposes of serving Hermiston's Tier 2 Long-Term Rate purchase obligation.

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

If BPA determines that Hermiston's request meets the notice requirements, then BPA shall reduce Hermiston'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 Hermiston's updated Tier 2 Long-Term Rate election amount, and (2) update Hermiston'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 Hermiston 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

Hermiston shall notify BPA in writing of its one-time election to reduce the amount of power Hermiston 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.

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

If Hermiston elects to reduce its Tier 2 Long-Term Rate election amount pursuant to section 2.3.3.1 above, then Hermiston 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).

Hermiston 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 Hermiston'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 Hermiston's updated Tier 2 Long-Term Rate election amount, and (2) update Hermiston's election in section 2.1 of this exhibit. BPA will update Exhibit A with any changes to Hermiston's Dedicated Resource amounts.

2.3.3.4 Charges to Change Tier 2 Long-Term Election Amount

Hermiston shall pay any charges that apply as a result of Hermiston 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 Hermiston as a result of BPA reducing the fixed up to Average Megawatt amounts of Firm Requirements Power that Hermiston 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, Hermiston 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 Hermiston elects options B, C or D, then by July 31, 2027, and by July 31 of each Forecast Year, Hermiston 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 Hermiston is obligated to purchase at the Tier 2 Short-Term Rate as follows.

If Hermiston elects option B under section 2.1, then the amount of Firm Requirements Power Hermiston may request to purchase at the Tier 2 Short-Term Rate shall not exceed the difference between Hermiston’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 Hermiston elects option C under section 2.1, then the amount of Firm Requirements Power Hermiston may request to purchase at the Tier 2 Short-Term Rate, shall not exceed the lesser of Hermiston’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 Hermiston elects option D under section 2.1, then the amount of Firm Requirements Power Hermiston may request to purchase at the Tier 2 Short-Term Rate, shall not exceed Hermiston’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								
<u>Note:</u> 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 Hermiston’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 Hermiston 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 Hermiston 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 Hermiston'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, Hermiston 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 Hermiston 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. Hermiston 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 Hermiston as a result of Hermiston electing to reduce the amounts of Firm Requirements Power that Hermiston is obligated to purchase at Tier 2 Short-Term Rates. In no event shall BPA make payment to Hermiston 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 Hermiston elects option B, C, or D under section 2.1 above, then Hermiston 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, Hermiston 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 Hermiston 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. Hermiston 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 Hermiston elects to purchase Firm Requirements Power from BPA at Tier 2 Vintage Rates, then Hermiston shall sign a Statement of Intent provided by BPA which will state the amount of power Hermiston 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 Hermiston 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 Hermiston, and the Statement of Intent will become null and void. If BPA does not complete the acquisition, then Hermiston'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, Hermiston 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 Hermiston'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 Hermiston is eligible to purchase at a Tier 2 Vintage Rate will be equal to the annual maximum forecast of Hermiston's flexible Above-CHWM Load amounts of Hermiston's election under section 2.1, minus any Dedicated Resources serving Hermiston's Above-CHWM Load. BPA will develop the annual maximum forecast of Hermiston'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

Hermiston'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 Hermiston in sections 2.1 and 2.4 of this exhibit.

2.5.5 Multiple Requests for Vintage Resource

Hermiston'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 Hermiston 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 Hermiston's Above-CHWM Load as surplus power and provide such to Hermiston at a surplus rate equivalent to the applicable Tier 2 Vintage Rate to be managed by Hermiston; or

- (2) in accordance with section 10 of this exhibit, and pursuant to the PRDM, provide a remarketing service for the power that exceeds Hermiston's Above-CHWM Load until Hermiston'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, Hermiston may have the opportunity to purchase Firm Requirements Power at Tier 2 Vintage Rates regardless of whether Hermiston is purchasing power at Tier 2 Short-Term Rates, if BPA determines, in its sole discretion, to offer Hermiston a Statement of Intent that would provide Hermiston the opportunity to purchase Firm Requirements Power at Tier 2 Vintage Rates.

Any election by Hermiston to purchase Firm Requirements Power at Tier 2 Vintage Rates shall not relieve Hermiston of any obligation to purchase Firm Requirements Power at another Tier 2 Rate.

Any amounts of power that Hermiston 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 Hermiston's Tier 2 Vintage Rate purchase obligation amounts.

Hermiston'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 Hermiston signed a Statement of Intent, BPA shall update the table in section 2.8.2 with Hermiston's Tier 2 Vintage Rate purchase obligation amounts.

2.6 Obligation to Apply Dedicated Resources

Hermiston shall apply Dedicated Resources to serve the portion of its Above-CHWM Load that exceeds the sum of all Hermiston's purchase obligations at

Tier 2 Rates under sections 2.3, 2.4, and 2.5 above. BPA shall add Hermiston's Dedicated Resources to section 2 and section 3 of Exhibit A.

2.7 Above-CHWM Load Liability

If Hermiston 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 Hermiston 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 Hermiston's notice of annexation. BPA shall include such cost identified through the 7(i) Process on Hermiston's bill. In no event shall BPA make payment to Hermiston as a result of Hermiston 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 Hermiston's elections for the upcoming Rate Period, with: (1) the planned annual average amounts of Firm Requirements Power that Hermiston 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								
Notes: 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 Hermiston 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. 2. Fill in the table above with annual Average Megawatts rounded to three decimal places. 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.								

3. REVISIONS

BPA shall unilaterally revise this exhibit to reflect: (1) Hermiston'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

Hermiston 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

Hermiston has no identified Potential NLSLs.

1.3 Planned NLSLs

1.3.1 Planned NLSLs Served by BPA

Hermiston has no Planned NLSLs served by BPA.

1.3.2 Planned NLSLs Served with Dedicated Resource or Consumer-Owned Resource Amounts

Hermiston has no Planned NLSLs served with Dedicated Resource or Consumer-Owned Resource amounts.

1.4 NLSLs

1.4.1 NLSLs Served by BPA

Hermiston has no NLSLs served by BPA.

1.4.2 NLSLs Served by Dedicated Resource or Consumer-Owned Resource Amounts

Hermiston has no NLSLs served with Dedicated Resource or Consumer-Owned Resource amounts.

1.4.3 Renewable Resource/Cogeneration Exception

Hermiston's end-use consumer is not currently applying an on-site renewable resource or cogeneration facility to an NLSL.

2. PAYMENT FOR UMATILLA ELECTRIC COOPERATIVE DIRECT ASSIGNMENT CHARGES

Beginning October 1, 2028, and each month thereafter, BPA shall pass through to Hermiston and Hermiston shall pay BPA all Umatilla Electric Cooperative directly assigned use-of-facility charge(s) associated with the Hermiston East POD, consistent with section 14.6.3 of the body of this Agreement. BPA shall not assess Hermiston the applicable Transfer Service Delivery Charge, or successor rate, for the Hermiston East POD, required in section 14.6.2 of the body of this Agreement. The monthly direct assigned use-of-facility charge(s) are reflected in the table below.

If Umatilla Electric Cooperative's use-of-facility charge(s) for Hermiston East POD are revised, then BPA shall notify Hermiston of such change and shall revise this

exhibit accordingly to reflect changes under the applicable network integration transmission service agreement (NITSA) Contract No. 11PX-10017 or its successor, between Umatilla Electric Cooperative and BPA.

Point of Delivery	Monthly Use-of-Facility Charge
Hermiston East	\$33,553

3. 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 Hermiston 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
TRANSMISSION SCHEDULING SERVICE

1. DEFINITIONS, PURPOSE AND PARAMETERS

1.1 Definitions

- 1.1.1 “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.
- 1.1.2 “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.
- 1.1.3 “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.
- 1.1.4 “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).
- 1.1.5 “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.
- 1.1.6 “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.
- 1.1.7 “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.
- 1.1.8 “Planned Transmission Outage” means an event that reduces the transmission capacity on a segment of the transmission path used to deliver Hermiston’s Dedicated Resource prior to the initial approval of the E-Tag.
- 1.1.9 “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 Hermiston's Dedicated Resource.

- 1.1.10 "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.
- 1.1.11 "Transmission Event" means a Planned Transmission Outage or a Transmission Curtailment.
- 1.1.12 "Transmission Scheduling Service" or "TSS" means the power scheduling service that BPA provides to Hermiston that allows BPA to manage certain aspects of Hermiston's BPA NT Agreement with Transmission Services, to allow BPA to use the inherent flexibilities of Hermiston'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.
- 1.1.13 "Transmission Scheduling Service-Full" or "TSS-Full" means the Transmission Scheduling Service for a specific Dedicated Resource or Consumer-Owned Resource serving On-Site Consumer Load where BPA performs all necessary scheduling, including the creation and maintenance of E-Tags for such resource.

1.2 Transmission Scheduling Service-Full (TSS-Full)

This section 1.2 shall apply to any of Hermiston's Dedicated Resource(s) and Consumer-Owned Resource(s) serving On-Site Consumer Load listed as purchasing TSS-Full in section 1 of Exhibit J.

Beginning October 1, 2028, and through the term of this Agreement, Power Services shall provide and Hermiston shall purchase TSS-Full for its Dedicated Resource(s) and Consumer-Owned Resource(s) serving On-Site Consumer Load listed as purchasing TSS-Full in section 1 of Exhibit J. Power Services shall schedule Hermiston's BPA-provided power, Dedicated Resource(s) and Consumer-Owned Resource(s) serving On-Site Consumer Load to Hermiston's Total Retail Load under Hermiston's BPA NT Agreement with Transmission Services and/or other transmission agreement(s). Power Services shall not provide TSS-Full for anything other than delivery to Hermiston's Total Retail Load.

Power Services shall perform all necessary prescheduling and real-time scheduling functions, and make other arrangements and adjustments, consistent with any RSS products and any other products and services Hermiston is purchasing from Power Services. Hermiston shall continue to be responsible for all non-scheduling provisions of its transmission agreement(s) used to serve Hermiston's Total Retail Load, in accordance with the applicable OATT, including, but not limited to, the designation and undesignation of Network Resources, as defined by the applicable OATT.

Hermiston shall be subject to the rates, terms and conditions for TSS-Full specified in BPA's applicable Power Rate Schedules and GRSPs.

1.3 **This section intentionally left blank.**

2. ASSIGNMENT OF SCHEDULING RIGHTS

Hermiston agrees that:

- (1) Power Services is the scheduling entity for service taken under Hermiston's BPA NT Agreement with Transmission Services;
- (2) Power Services has the right to acquire and manage secondary service under Hermiston's NT Agreement with Transmission Services pursuant to section 28.4 of the BPA OATT as necessary to fulfill Power Services' obligations under this Agreement. If necessary, Hermiston will retain the right to acquire secondary service under their BPA NT Agreement with Transmission Services to deliver any Dedicated Resources to their load; and
- (3) prior to Power Services providing TSS, Power Services will provide Transmission Services notice of (1) and (2) above.

In the event that Transmission Services requires direct engagement from Hermiston on (1) or (2), Hermiston shall notify Transmission Services directly.

Upon request, Hermiston shall provide copies of any transmission agreement(s) used to serve Hermiston's Total Retail Load. Additionally, over the term of this Agreement, Hermiston shall provide Power Services with any additional transmission agreements Hermiston enters into which are used for service to its Total Retail Load and all amendments and modifications to current copies of Hermiston's transmission agreement(s).

3. LOAD FORECAST

Hermiston shall cooperate with BPA to provide any information BPA determines is necessary to support BPA's forecast of Hermiston load to provide TSS. If any load specific information is needed for developing a daily or hourly load forecast, then Hermiston shall provide such information in a timely manner.

4. SCHEDULING OF HERMISTON'S RESOURCES

This section 4 shall not apply to any of Hermiston's Dedicated Resource(s) and Consumer-Owned Resource(s) serving On-Site Consumer Load that BPA has determined, based on the OATT and business practices of the relevant Third-Party Transmission Provider(s), do not require an E-Tag as specified in the table in section 1 of Exhibit J.

4.1 **Prescheduling for TSS-Full Resources**

Hermiston shall submit a delivery schedule to Power Services for each of its Dedicated Resources and Consumer-Owned Resources serving On-Site Consumer Load for delivery to its Total Retail Load which shall include

information such as the source, any points of receipt, any Open Access Same-time Information System (OASIS) reservation reference numbers needed for the delivery of such resources, the daily megawatt profile, and all purchasing selling entities in the path. This delivery schedule shall be submitted to Power Services by the earlier of one hour prior to the close of the firm transmission prescheduling deadline associated with the transmission agreement(s) used to deliver power to Hermiston's Total Retail Load, or 1100 hours Pacific Prevailing Time (PPT) on the preschedule day. However, if any of Hermiston's Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load are to be delivered over secondary network transmission pursuant to section 4.3.3.1.2 below, then Hermiston shall submit its delivery schedule for such resource to Power Services by 1300 hours PPT on the preschedule day.

Hermiston shall submit all required prescheduled information in a format specified by Power Services.

At Power Services' request, Hermiston shall provide Power Services information on real power losses associated with Hermiston's transmission agreement(s).

4.1.1 Real-Time Scheduling

Power Services shall accept megawatt adjustments to each of Hermiston's Dedicated Resources and Consumer-Owned Resources serving On-Site Consumer Load schedule(s) up to the earlier of 45 minutes prior to the hour of delivery or 25 minutes prior to the earliest of the transmission real-time scheduling deadlines associated with delivery of power to Hermiston's Total Retail Load.

Hermiston shall submit all required real-time scheduling information in a format specified by Power Services.

4.2 This section intentionally left blank.

4.3 Transmission Curtailments

4.3.1 Transmission Curtailment Management Service (TCMS)

As a feature of TSS, BPA shall provide TCMS for certain Hermiston Dedicated Resources that require an E-Tag for delivery. TCMS coverage shall apply when Transmission Events impact eligible resources, with certain limitations as described throughout this section 4.3. TCMS and Transmission Events do not apply to Consumer-Owned Resources serving On-Site Consumer Load.

In accordance with the BPA OATT, TCMS coverage shall not apply while Transmission Services is redispatching Hermiston's Dedicated Resource(s) to serve Hermiston's load during a Transmission Event.

4.3.2 Curtailment and Outage Terms and Conditions for Resources without TCMS

This section 4.3.2 shall apply to Hermiston's Dedicated Resources for which Power Services is not providing TCMS coverage.

- 4.3.2.1 If a Transmission Curtailment occurs prior to 45 minutes before the hour of delivery, then Hermiston shall be responsible for securing replacement energy or alternate transmission, arranging delivery to the Balancing Authority Area in which Hermiston is located, and notifying Power Services of the revised delivery schedule prior to 45 minutes before the hour of delivery.

If Power Services is unable to secure secondary network transmission for the replacement resource because Hermiston did not notify Power Services of the revised delivery schedule prior to 45 minutes prior to the hour of delivery or secondary network transmission is unavailable, then Hermiston shall be subject to charges consistent with the provisions of this Agreement and all related products and BPA's applicable Power Rate Schedules and GRSPs, including Unauthorized Increase Charges.

- 4.3.2.2 Power Services shall not accept replacement delivery schedules for Transmission Curtailments that occur less than 45 minutes before the delivery hour. Hermiston shall be subject to charges consistent with the provisions of this Agreement and all related products and BPA's applicable Power Rate Schedules and GRSPs, including Unauthorized Increase Charges.

- 4.3.2.3 If a Planned Transmission Outage is announced prior to Hermiston's submission of a delivery schedule in pre-schedule, then Hermiston shall be responsible for securing replacement energy or alternate transmission, arranging delivery to the Balancing Authority Area in which Hermiston is located, and notifying Power Services of the revised delivery schedule prior to the preschedule deadline described in section 4.1 of this exhibit.

4.3.3 TCMS Coverage Eligibility, Determination and Termination

4.3.3.1 Eligibility of Resources for TCMS Coverage

4.3.3.1.1 Firm Transmission

Power Services shall provide TCMS coverage for Hermiston's Dedicated Resource if such resource has been granted firm transmission by all applicable transmission providers.

4.3.3.1.2 **Mid-C Resource Over Non-Firm**

Power Services shall provide TCMS coverage for Hermiston's Dedicated Resource if:

- (1) such resource is: (A) a Western Systems Power Pool (WSPP) Schedule C market purchase delivered to the scheduling point of Mid-C Remote, NW Hub, BPAT.CHPD, BPAT.GCPD, or BPAT.DOPD; (B) a WSPP Schedule C market purchase from BPA at BPA Power (which does not need to be delivered to Mid-C); or (C) a market purchase under the Edison Electric Institute Master Power Purchase & Sale Agreement, Version 2.1 or its successor, Schedule P: "Firm (LD)" or "Firm (No Force Majeure)" delivered to the scheduling point of Mid-C Remote, NW Hub, BPAT.CHPD, BPAT.GCPD, or BPAT.DOPD. BPA will allow such Mid-C market purchases to be scheduled from Mid-C to BPA Power, as applicable, over non-firm secondary network transmission. And,
- (2) Hermiston revises Exhibit D to include the terms and conditions of a Mid-C Resource Over Non-Firm exchange of power with BPA.

For purposes of this Agreement, such resource will be referred to as "Mid-C Resource Over Non-Firm".

4.3.3.1.3 **Actively Obtaining Firm Transmission**

Power Services may, on a case-by-case basis and with certain limitations on the service, provide TCMS coverage for Hermiston's Dedicated Resource that has not yet been granted firm network transmission by all applicable transmission providers if Power Services and Hermiston are actively engaged in the process of obtaining firm network transmission. Power Services and Hermiston shall work cooperatively to obtain firm network transmission for the Dedicated Resource pursuant to the terms and conditions of section 3 of Exhibit G. Power Services shall have sole discretion in determining whether or not Power Services and Hermiston are actively engaged in the process of obtaining firm

network transmission. However, when making this determination Power Services shall use criteria including but not limited to: (1) the date Hermiston requests that Power Services pursue firm network transmission; (2) the planned start date for service from the Dedicated Resource; (3) the location of the resource; (4) the potential for Transmission Curtailments associated with delivering the resource on non-firm transmission; (5) the status of any ongoing OASIS requests and studies related to the resource; and (6) the length of time Power Services and Hermiston have been in the process of obtaining firm network transmission.

4.3.3.2 BPA's Determination for TCMS Coverage

If Hermiston notifies Power Services that it is pursuing firm network transmission with all applicable transmission providers, then Power Services shall provide Hermiston with a determination of whether or not it may purchase such TCMS within 30 calendar days following Power Services' receipt of Hermiston's notice.

4.3.3.3 Termination of TCMS Coverage

If, consistent with section 4.3.3.1.3 above, BPA is providing TCMS coverage to Hermiston for a Dedicated Resource that has not been granted firm network transmission by Transmission Services and a request for firm network transmission for such Dedicated Resource is withdrawn, or if such request is declined or invalidated without a timely resubmission of a similar request, then Hermiston shall notify BPA immediately and BPA shall terminate the provision of TCMS for Hermiston's Dedicated Resource ten Business Days after such notification.

If, consistent with section 4.3.3.1.3 above, BPA is providing TCMS coverage to Hermiston for a Dedicated Resource that has not been granted firm network transmission and BPA offers a revision to Exhibit J to add such resource to Hermiston's section 7 of Exhibit J, and such revision to Exhibit J is not executed by Hermiston within 30 calendar days of the offer, then BPA shall terminate the provision of TCMS for Hermiston's Dedicated Resource ten Business Days following the aforementioned 30 day period.

4.3.4 Curtailment and Outage Terms and Conditions for Resources with TCMS Coverage

For Dedicated Resources that BPA is providing TCMS coverage for pursuant to the terms and conditions of section 4.3.3 above, however

not including Mid-C Resources Over Non-Firm, BPA shall make replacement power available and not assess an Unauthorized Increase Charge for failure to deliver a Dedicated Resource associated with a Transmission Event through the duration of the Transmission Event, if any of the following occur:

- (1) the Transmission Event affects any firm Point-to-Point Transmission used to deliver the resource to Hermiston's load;
or,
- (2) the Transmission Event affects the secondary network transmission used to deliver the resource to Hermiston's load;
or,
- (3) Transmission Services has curtailed firm network transmission pursuant to section 33.6 or 33.7 of the BPA OATT; or,
- (4) the Transmission Event affects the firm network transmission obtained by Power Services from a Third-Party Transmission Provider and used to deliver the resource to Hermiston's load.

For Mid-C Resources Over Non-Firm, in accordance with section 4.3.3.1.2 above, with TCMS coverage, BPA shall not assess an Unauthorized Increase Charge during any Transmission Event consistent with the "Transfer Service Customers' Non-Federal Market Purchase Exchange" terms and conditions in Exhibit D. Such Exhibit D language may be added to this Agreement consistent with section 4.3.3.1.2 above.

During any Planned Transmission Outage that impacts Hermiston's Dedicated Resource with TCMS coverage, BPA may, at BPA's sole discretion, obtain alternate transmission from such resource to Hermiston's load. If a Planned Transmission Outage affects a Dedicated Resource with TCMS coverage, then Power Services shall notify Hermiston of such Planned Transmission Outage.

If a Planned Transmission Outage is cancelled or adjusted such that Hermiston is able to deliver any portion of the resource to load normally during any portion of the previously announced Planned Transmission Outage, then Hermiston shall do so.

4.3.4.1 Limitations on the Frequency of TCMS Coverage

If Hermiston is purchasing TCMS for a Dedicated Resource with firm transmission from all applicable providers, then BPA shall provide TCMS without the following limits identified in this section 4.3.4.1.

If, pursuant to section 4.3.3 above, BPA has allowed Hermiston to purchase TCMS for a resource that has not yet

been granted firm network transmission but Hermiston is actively engaged in the process of obtaining firm network transmission, then throughout each Fiscal Year for each such resource, BPA shall periodically assess how frequently TCMS has been needed during that Fiscal Year. If BPA determines that in such Fiscal Year TCMS has been used to replace such Dedicated Resource in ten separate occurrences, where each occurrence TCMS was used was due to a separate Transmission Event on a different day, and for a cumulative total of at least 168 hours, BPA may terminate Hermiston's TCMS coverage for such resource 30 calendar days after providing notice to Hermiston.

4.3.4.2 TCMS Payment Obligations

Hermiston shall be subject to charges for TSS, including applicable costs for TCMS, consistent with the provisions of this Agreement and BPA's applicable Power Rate Schedules and GRSPs, including any applicable Unauthorized Increase Charges. Additionally, during a Transmission Event, BPA shall not assess an Unauthorized Increase Charge on a Dedicated Resource with TCMS coverage; provided, however if Hermiston applies a Mid-C Resource Over Non-Firm with TCMS coverage, then BPA shall not assess an Unauthorized Increase Charge if a Transmission Event affects the secondary network transmission used to deliver the power between Mid-C or BPA Power and Hermiston's load.

4.3.5 TCMS Coverage after Termination

If TCMS coverage is terminated, pursuant to section 4.3.3 or 4.3.4.1 of this exhibit, Hermiston shall be responsible for obtaining replacement power during any Transmission Event that impacts such Dedicated Resource and for any applicable Unauthorized Increase Charges that may apply pursuant to section 4.3.2 above.

In addition, for any resource for which BPA has terminated TCMS coverage due to frequency of use, as described in section 4.3.3 or 4.3.4.1 of this exhibit, BPA shall allow Hermiston to resume purchasing TCMS for the resource only after Hermiston notifies BPA that such resource has obtained firm network transmission.

5. E-TAGS

To the extent E-Tags are required by transmission provider(s), Power Services shall create all E-Tags necessary for delivery of energy to Hermiston's Total Retail Load.

6. GENERATION IMBALANCE

Hermiston shall be responsible for costs associated with deviations between the scheduled Dedicated Resources and Consumer-Owned Resources serving On-Site Consumer Load for an hour and the actual generation produced across such hour; provided, however, if Hermiston submits a delivery schedule consistent with all

provisions of this exhibit and BPA receives that delivery schedule, and a generation imbalance results from a BPA scheduling error, then BPA shall accept responsibility for the generation imbalance associated with the BPA scheduling error.

7. CHARGES

If Hermiston fails to submit prescheduling or real-time scheduling information to BPA as required and by the deadlines in section 4 of this exhibit, then Hermiston may be subject to applicable Unauthorized Increase Charges, consistent with BPA's applicable Power Rate Schedules and GRSPs.

8. AFTER THE FACT

BPA and Hermiston 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 Hermiston shall verify all transactions pursuant to this Agreement as to product or type of service, hourly amounts, daily and monthly totals, and related charges.

9. 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 Hermiston, 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 Hermiston 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
TERMS RELATED TO TRANSFER SERVICE

As provided by section 14.6.7 of the body of this Agreement, if Hermiston acquires a Transfer Service Eligible Resource, then BPA's support and financial assistance to Hermiston shall be consistent with the terms and conditions in this exhibit.

1. DEFINITIONS

- 1.1 "Fiscal Year Transfer Cap" means the annual Average Megawatt cap described in section 2 of this exhibit. The Fiscal Year Transfer Cap establishes the limit under which BPA will provide financial support for Transfer Service to customers' Network Resources.
- 1.2 "Initial Transfer Study Deposit" means the amount of dollars required by a Third-Party Transmission Provider to initiate a Transfer Study.
- 1.3 "Last Transfer Segment" means the transmission and/or distribution facilities of the Third-Party Transmission Provider that (1) interconnect directly to a customer's transmission or distribution facilities, (2) interconnect to BPA transmission facilities that subsequently interconnect with a customer's transmission or distribution facilities, or (3) for deliveries to Transfer Service PODs where BPA uses the facilities of multiple Third-Party Transmission Providers, as noted in Exhibit E, to deliver Firm Requirements Power and Surplus Firm Power from the Primary Points of Receipt to the required facilities of each of these Third-Party Transmission Providers.
- 1.4 "Network Load" shall have the meaning as defined in the Federal Energy Regulatory Commission's (FERC's) current pro forma Open Access Transmission Tariff (OATT), or its successor.
- 1.5 "Network Resource" shall have the meaning as defined in the current FERC pro forma OATT, or its successor. In addition, the term "Network Resource" means any Transfer Service Eligible Resource that has been acquired by a customer and for which the customer has begun the process of acquiring firm transmission to serve the customer's Transfer Service POD(s).
- 1.6 "Transfer Market Purchase" means, for purposes of this Exhibit G, a power purchase or resource that a customer uses to displace a Network Resource.
- 1.7 "Transfer Request" means the written notification by BPA to a Third-Party Transmission Provider to start the required process to accommodate new or modified Transfer Service.
- 1.8 "Transfer Study" means a system impact study, feasibility study, facilities study, or other such study required by a Third-Party Transmission Provider following submission of a Transfer Request.

2. ESTABLISHED CAPS AND LIMITATIONS

- 2.1 This section 2.1 shall not apply for any Transfer Service Eligible Resource: (1) serving a Planned NLSL or an NLSL pursuant to section 1 of Exhibit D and for which BPA is passing through the cost of Transfer Service pursuant to section 14.6.7.1, (2) serving a portion of Hermiston's Total Retail Load that Hermiston is obligated to serve with BPA-provided electric power pursuant to this Agreement, or (3) that Hermiston is not acquiring and paying for transmission service from Transmission Services for that Transfer Service Eligible Resource. For all other Transfer Service Eligible Resources, BPA shall provide financial support for the transmission capacity associated with the Transfer Service Eligible Resource to all Transfer Service customers up to a maximum of 41 MW per Fiscal Year, cumulative over the duration of this Agreement. This cumulative megawatt limit is shown in the table below.

Fiscal Year	Per Year MW Limit	Cumulative MW Limit
FY 2029	41	41
FY 2030	41	82
FY 2031	41	123
FY 2032	41	164
FY 2033	41	205
FY 2034	41	246
FY 2035	41	287
FY 2036	41	328
FY 2037	41	369
FY 2038	41	410
FY 2039	41	451
FY 2040	41	492
FY 2041	41	533
FY 2042	41	574
FY 2043	41	615
FY 2044	41	656

- 2.2 Application of section 14.6.7 of the body of this Agreement and section 3.2 of this exhibit shall be on a first come, first served basis in each year based on the date each request is received by BPA. Requests not met, in whole or in part, in any Fiscal Year will have priority over subsequent requests the following year. Once granted, BPA shall honor such request for the duration of the resource acquisition period, not to exceed the term of this Agreement.

3. TRANSFER SERVICE FOR TRANSFER SERVICE ELIGIBLE RESOURCES

The terms and conditions of this section 3 are intended to serve as an enabling agreement under which BPA will offer specific terms for delivering Network Resources to Hermiston's Transfer Service PODs, as identified in Exhibit E. Each Network Resource serving Hermiston's Transfer Service PODs will result in specific terms and conditions, negotiated by the Parties, and be included in section 7 of Exhibit J.

3.1 Obtaining Transfer Service Support

3.1.1 Customer Application

Hermiston shall have the right to request Transfer Service support over the Last Transfer Segment from BPA for the delivery of any Transfer Service Eligible Resource that Hermiston intends to acquire to serve its Transfer Service POD(s), provided that such request shall be for service of at least one year in duration. Hermiston's request shall comply with the requirements of this section 3.1 and shall be subject to the limitations of section 2 of this exhibit.

To request Transfer Service support from BPA for delivery of any Transfer Service Eligible Resource, Hermiston shall complete and submit to BPA the application form that BPA shall make available at a publicly accessible website.

Hermiston's submission of the application to BPA begins the process of acquiring firm transmission for the Transfer Service Eligible Resource. From the submission forward, the Transfer Service Eligible Resource will be referred to as a Network Resource. Hermiston shall submit its completed application form to BPA at least one year prior to the date Hermiston anticipates it will start receiving energy from its Network Resource and BPA shall acquire, if possible, firm transmission service for Hermiston's Network Resource over the Last Transfer Segment.

On a case-by-case basis, BPA may, but is not obligated to, consider Transfer Service support requests to obtain firm transmission service for a Network Resource made less than one year prior to the date Hermiston anticipates it will start receiving energy from that Network Resource.

3.1.2 BPA Notice and Completing Customer Application

Within ten Business Days of BPA's receipt of Hermiston's application, BPA shall notify Hermiston as to the status of the application. Such notice shall inform Hermiston of the following: (1) whether the information provided in the submitted application form is sufficient for BPA to request firm transmission service for Hermiston's Network Resource, (2) whether the amount of Transfer Service requested for Hermiston's Network Resource exceeds, or partially exceeds, the current Fiscal Year Transfer Cap, and (3) whether the amount of Transfer Service requested for Hermiston's Network Resource exceeds, or partially exceeds BPA's forecast of Hermiston's minimum hourly load for Hermiston's Transfer Service POD(s).

If BPA determines the information in Hermiston's application is insufficient, then BPA may ask Hermiston for additional information to support BPA's efforts to secure firm transmission service.

Hermiston shall provide BPA with the requested information within ten Business Days or within such time as the Parties may agree.

If Hermiston's request exceeds or partially exceeds the current Fiscal Year Transfer Cap, then Hermiston shall notify BPA within ten Business Days after receipt of BPA's notification whether Hermiston will withdraw or proceed with its application.

If Hermiston's request exceeds or partially exceeds BPA's forecast of their minimum hourly load for Hermiston's Transfer Service POD(s), then Hermiston shall revise its application within ten Business Days after receipt of BPA's notification so that the Network Resource does not exceed or partially exceed its minimum load.

3.1.3 Obtaining Firm Transmission Service

Once the Parties have completed the requirements in sections 3.1.1 and 3.1.2 of this exhibit, BPA shall pursue designation of the Network Resource and request firm transmission service from the Third-Party Transmission Provider. If the Third-Party Transmission Provider requests from BPA more information than Hermiston provided in its completed application form, then the Parties shall obtain and provide such information to the Third-Party Transmission Provider within ten Business Days of the Third-Party Transmission Provider's request.

If the Third-Party Transmission Provider informs BPA that studies are, or construction may be, required to provide firm transmission service for Hermiston's Network Resource, then BPA shall notify Hermiston of such studies or construction requirements. If, based on such studies or construction, Hermiston chooses to withdraw its request, then Hermiston shall notify BPA within five Business Days of receiving notice from BPA of such requirements. If no notice of withdrawal is received, then BPA shall proceed with firm transmission service acquisition for Hermiston's Network Resource and BPA shall pass through to Hermiston all study and construction related costs the Third-Party Transmission Provider charges to BPA.

BPA shall make reasonable efforts to coordinate with Hermiston and the Third-Party Transmission Provider to complete the firm transmission service acquisition process as described in this section 3.1.3.

3.1.4 Unavailable Firm Transmission Service for a Network Resource

If the Third-Party Transmission Provider has not agreed to provide firm transmission services for Hermiston's Network Resource within the requested timeframe, then BPA shall not be liable to Hermiston for any costs or penalties Hermiston may incur associated with the lack of firm transmission service. Further, BPA shall not be obligated

to obtain Transfer Service for such Network Resource. Hermiston may submit a subsequent request for such Network Resource or another resource pursuant to section 3.1.1 of this exhibit. Such subsequent request may obligate BPA to obtain Transfer Service pursuant to terms of this exhibit and section 14 of the body of this Agreement.

BPA shall pass through to Hermiston any costs assessed by the Third-Party Transmission Provider regarding Hermiston's request for Transfer Service support, regardless of whether firm transmission service is obtained for Hermiston's Network Resource.

3.2 Parties' Payment Obligations

Once BPA has obtained firm transmission service for Hermiston's Network Resource from the Third-Party Transmission Provider, the Parties shall be responsible for costs as follows:

3.2.1 Customer Obligations

Hermiston shall be responsible for acquiring firm transmission service, and paying for all costs associated with such firm transmission service, necessary to deliver the Network Resource across all intervening transmission systems to the Last Transfer Segment. These costs may include but are not limited to all costs related to transmission, system impact studies, facilities studies, interconnection studies, generation imbalance, and any ongoing costs associated with Hermiston's Network Resource interconnection.

3.2.2 BPA Obligations

BPA's obligation to acquire and pay for the Transfer Service costs pursuant to section 14.6 of the body of this Agreement for Hermiston's Transfer Service Eligible Resources is limited to Network Resources delivered over the Last Transfer Segment.

BPA shall have no obligation to acquire or pay for Transfer Service for Transfer Service Eligible Resources if the Parties have not agreed to include such Transfer Service Eligible Resource and the applicable terms and conditions in section 7 of Exhibit J.

3.2.3 Customer Obligation to Pay BPA

BPA shall pass through to Hermiston and Hermiston shall pay BPA certain Transfer Service costs associated with any Network Resource pursuant to this exhibit and section 14.6 of the body of this Agreement and stated in section 7 of Exhibit J.

3.2.3.1 Pass Through of Network Resource Specific Ancillary Services and Other Costs

BPA shall pass through to Hermiston any costs of ancillary services associated with Transfer Service for Hermiston's Network Resource(s).

BPA shall also pass through to Hermiston the costs of all other transmission services for Network Resource deliveries including, but not limited to: redispatch costs, congestion management costs, costs associated with adding the Transfer Service Eligible Resource generation as a Network Resource, any costs associated with generation interconnection, direct assigned system upgrade costs, and distribution and low-voltage charges, if applicable.

Such pass through of costs shall be set forth in section 7 of Exhibit J.

3.2.4 Reimbursement of Transfer Costs Above Fiscal Year Transfer Cap

If BPA's Fiscal Year Transfer Cap will be exceeded by Hermiston's Network Resource and Hermiston elects to have BPA obtain firm transmission service for Hermiston's Network Resource pursuant to section 3.1.2 of this exhibit, then BPA shall pass through to Hermiston all charges assessed by the Third-Party Transmission Provider associated with the delivery of that portion of Hermiston's Network Resource which exceeds the Fiscal Year Transfer Cap. Hermiston's reimbursement of costs shall continue until such time as the Fiscal Year Transfer Cap increases and all of Hermiston's Network Resource may be accommodated under the Fiscal Year Transfer Cap, as described in section 2.2 of this exhibit.

3.3 Network Resource Section of Exhibit J

Consistent with the requirements of this exhibit, the Parties shall include the details and any additional terms and conditions of Transfer Service for each Network Resource that Hermiston is using to serve its Transfer Service POD(s) in the Network Resource section 7 of Exhibit J.

3.3.1 Requirements for Adding the Network Resource to Section 7 of Exhibit J

Once Hermiston's Network Resource has firm transmission from the Third-Party Transmission Provider, the Parties shall revise section 7 of Exhibit J to add resource-specific information regarding charges and the terms and conditions for the delivery of Hermiston's Network Resource, including the cost responsibilities for delivering the Network Resource.

3.3.2 Revisions to Hermiston's Network Resource

If any information for Hermiston's Network Resource in section 7 of Exhibit J changes at any time during the term of this Agreement, then the Party that is aware of such change shall notify the other Party. The Parties shall revise the information for Hermiston's Network Resource consistent with the change. Such information may require

additional changes to the designation of the Network Resource and may require a new Transfer Request.

3.4 Other Requirements and Limitation on Network Resources

3.4.1 Hourly Transfer Service Limit

Hermiston's hourly right to Transfer Service for the Network Resource(s) shall not exceed Hermiston's Transfer Service POD(s) on any hour.

3.4.2 Resource Removal

BPA shall not obtain or pay for Transfer Service for that portion of Hermiston's Network Resource, or a former Network Resource, that has been removed pursuant to section 10 of the body of this Agreement. If a Network Resource has been removed or is no longer being used to serve Hermiston's Transfer Service POD(s), then BPA may permanently or temporarily undesignate such Network Resource.

3.4.3 Generation Metering Requirements

Hermiston shall ensure that any Network Resource that is a Generating Resource meets the metering requirements specified in section 15 of the body of this Agreement and any metering requirements of the generation host Balancing Authority and the Third-Party Transmission Provider.

3.4.4 Scheduling Requirements

Hermiston shall be responsible for managing its Network Resource consistent with Exhibit F.

3.5 Undesignation of Network Resource

After BPA has obtained Network Resource designation for Hermiston's Transfer Service Eligible Resource from the Third-Party Transmission Provider, BPA shall not undesignate such Network Resource except pursuant to section 3.4.2 of this exhibit or for the purposes of accommodating Hermiston's load growth planning. Such undesignation and any subsequent designation shall be consistent with Exhibit A and section 3.1 of this exhibit.

Following any undesignation of a Network Resource, the Parties shall revise section 7 of Exhibit J to reflect such undesignation.

3.6 Transfer Market Purchases

After BPA has obtained firm transmission service for Hermiston's designated Network Resource, Hermiston may use a Transfer Market Purchase to displace the designated Network Resource, which BPA shall schedule on secondary network service, provided that:

- (1) such Transfer Market Purchase is only scheduled in preschedule and not modified in real time, consistent with section 4 of Exhibit F, and such Market Purchase is at least one calendar day in duration;

- (2) the megawatt amount of the Transfer Market Purchase does not exceed the amount of the Network Resource that Hermiston would have scheduled to its load;
- (3) Hermiston does not, under any circumstances, remarket its Network Resource or perform any other operation that would cause BPA to be in violation of its obligations under the Third-Party Transmission Provider's OATT;
- (4) Hermiston is responsible for acquiring transmission service, and paying for the costs associated with such transmission service, necessary to deliver the Transfer Market Purchase to the Last Transfer Segment. These costs include, but are not limited to, any additional energy imbalance, redispatch, and Unauthorized Increase Charges that result from a transmission curtailment that impacts the resulting secondary network schedule; and,
- (5) Hermiston shall pay all cost obligations described in section 3.2 of this exhibit.

If Hermiston violates any of the criteria listed above, BPA shall immediately cease obtaining Transfer Service for Hermiston for purposes of displacing Hermiston's Network Resource(s) with Transfer Market Purchases. Such prohibition shall apply to all Network Resources listed in section 7 of Exhibit J, and the prohibition shall continue for the remaining term of this Agreement unless otherwise agreed by BPA in BPA's sole discretion. BPA shall pass through to Hermiston all penalties, or other assessed costs, that result from Hermiston violating the conditions of this section 3 and section 7 of Exhibit J.

3.7 Transfer Service Using Non-OATT Agreements

When BPA provides Transfer Service to Hermiston pursuant to a non-OATT agreement, and notwithstanding the OATT-specific definitions, descriptions and procedures defined in this exhibit, BPA shall, at its sole discretion, determine the appropriate Transfer Service arrangement for Hermiston's Network Resource. In such instance, Hermiston's Transfer Service Eligible Resource shall have characteristics comparable to a Network Resource, and Hermiston shall comply with the timelines and information sharing requirements described in section 3.1 of this exhibit and shall be responsible for direct payment and pass through costs on an equivalent basis to what is described in section 3.2 of this exhibit.

3.8 Duties of Cooperation

The Parties shall cooperate to establish the protocols, provisions, and other arrangements that are reasonably necessary to:

- (1) manage any particular characteristic of Hermiston's Network Resource(s), and

- (2) ensure that BPA is able to meet its obligations to the Third-Party Transmission Provider as set out in the applicable transmission service contract.

Such protocols, provisions, and other arrangements shall be reflected in section 7 of Exhibit J.

Requests by either Party for expedited provision of information shall not be unreasonably denied.

4. TERMS AND CONDITIONS FOR ACQUIRING NEW OR MODIFIED TRANSFER SERVICE

4.1 BPA's Agreement to Pursue New or Modified Transfer Service

4.1.1 Hermiston may request that BPA submit a Transfer Request to a Third-Party Transmission Provider. BPA will consult with Hermiston to determine the information needed to submit such Transfer Request. The Parties shall confirm, in writing, their intent to pursue a Transfer Study, if required, including the information to be included in the Transfer Request and the amount of the Initial Transfer Study Deposit. Within 30 calendar days after the Parties consult, BPA shall submit a Transfer Request to the Third-Party Transmission Provider based on the information provided.

4.1.2 If the Third-Party Transmission Provider requests more information than BPA-provided in the Transfer Request, then the Parties shall obtain and provide such information to the Third-Party Transmission Provider within ten Business Days of the Third-Party Transmission Provider's request.

If the Third-Party Transmission Provider informs BPA that a Transfer Study is required, then BPA shall notify Hermiston of such study. If, based on such Transfer Study requirement, Hermiston chooses to withdraw its request, then Hermiston shall notify BPA within five Business Days of receiving notice from BPA of such requirements. If no notice of withdrawal is received, then BPA shall continue to proceed with the Transfer Study. If Hermiston informs BPA it does not wish to proceed, then BPA shall withdraw the Transfer Request from the Third-Party Transmission Provider.

4.1.3 BPA shall initially pay the Third-Party Transmission Provider for all costs associated with the Transfer Request or the Transfer Study. BPA shall pass through all such costs to Hermiston, subject to the limitations set forth in section 4.2 of this exhibit.

4.1.4 BPA's obligations under this section 4 are limited to submitting a Transfer Request to, or requesting a Transfer Study from, a Third-

Party Transmission Provider and initially incurring any costs associated with such requests. BPA shall not be held liable to Hermiston for any acts, omissions, or failures by the Third-Party Transmission Provider related to any Transfer Requests or Transfer Studies. BPA shall not be required to take any further action as a result of this section 4, including but not limited to any of the following:

- (1) renewing or modifying the Transfer Service agreement between BPA and the Third-Party Transmission Provider;
- (2) negotiating or entering into a new transmission arrangement between BPA and the Third-Party Transmission Provider; or
- (3) agreeing to or incurring costs associated with any construction, upgrades, or other improvements to Hermiston's, BPA's, or the Third-Party Transmission Provider's facilities. The Parties shall revise Exhibit D to include terms and conditions associated with any direct assignment of such costs.

4.1.5 If, for any reason, the Third-Party Transmission Provider requires BPA to agree to any of the actions identified in section 4.1.4 above, then BPA may withdraw the Transfer Request and terminate the Transfer Study immediately after providing Hermiston notice of its intent to do so.

4.2 Coordination of Costs Beyond the Initial Transfer Study Deposit

As stated in section 4.1.3 of this exhibit, BPA shall pass through to Hermiston all costs associated with a Transfer Request or Transfer Study. BPA shall notify and request confirmation related to a Transfer Request or Transfer Study from Hermiston pursuant to the notification provisions of section 4.2.1 below.

4.2.1 If BPA is notified that the costs associated with a Transfer Request or Transfer Study are likely to exceed the Initial Transfer Study Deposit, prior to BPA taking any action that would result in BPA incurring costs that exceed the Initial Transfer Study Deposit, then BPA shall notify and request confirmation from Hermiston to determine if Hermiston would like to proceed. BPA will notify Hermiston in writing as soon as practicable following notice of such additional costs from the Third-Party Transmission Provider. If the amount of such costs is not known, then the following additional provisions shall apply:

- (1) BPA may request an estimate of such costs from the Third-Party Transmission Provider and provide that estimate to Hermiston; or

- (2) BPA may estimate the amounts of such costs and provide those amounts to Hermiston.

Estimates under sections 4.2.1(1) and 4.2.1(2) above, if any, shall not be binding on BPA and shall not alter Hermiston's obligation to pay or reimburse BPA for the final actual costs.

4.2.2 Hermiston shall notify BPA in writing by the date specified by BPA in the notice in section 4.2.1 of this exhibit (which shall not be less than seven Business Days) regarding whether BPA should or should not agree to incur such costs.

- (1) If BPA receives a timely notice as stated in this section 4.2.2 in which Hermiston requests that BPA agree to incur the costs identified in a notice as stated in section 4.2.1, then BPA shall agree to incur the costs.
- (2) If BPA receives a timely notice as stated in this section 4.2.2 in which Hermiston requests that BPA not agree to incur a cost identified in a notice as stated in section 4.2.1 of this exhibit, then: (A) BPA shall not agree to incur such costs; and (B) BPA shall have the right to immediately withdraw the Transfer Request and terminate the Transfer Study process.
- (3) If BPA does not receive a timely notice as stated in section 4.2.1 of this exhibit, then BPA shall have the right to continue the Transfer Study process and pass through the additional costs to Hermiston.

5. REVISIONS

Revisions to this Exhibit G will be made by mutual agreement of the Parties.

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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 Hermiston, 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 Hermiston buys from BPA and the Attribute Pools associated with Hermiston'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 Hermiston's share of RECs based on its BPA power purchases and as determined in accordance with this Exhibit H to Hermiston, (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 Hermiston's Regional Dialogue CHWM Contract. By April 15, 2029, BPA shall transfer to Hermiston or manage a pro rata share of Available Tier 1 RECs from calendar year 2028 based on Hermiston's FY 2028 RHWM divided by the total FY 2028 RHWMs of all customers with Regional Dialogue CHWM Contracts. BPA shall also transfer to Hermiston its share of Tier 2 RECs, if applicable, generated during calendar year 2028. Hermiston 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 Hermiston's share of RECs as a pro rata share of the actual megawatt-hours of power Hermiston purchased from BPA the prior calendar year under this Agreement. Hermiston's pro rata share of each Inventory of RECs shall be calculated as the actual megawatt hours of power Hermiston 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, Hermiston shall provide written notice to BPA stating which one of the three options below it elects for the transfer of Hermiston's share of RECs, for the remaining term of the Agreement. However, Hermiston 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 Hermiston's share of RECs into Hermiston's own Western Renewable Energy Generation Information System (WREGIS) account, which shall be established by Hermiston; or
- (2) BPA shall transfer Hermiston's share of RECs into a BPA-managed WREGIS subaccount. Such subaccount shall be established by BPA on Hermiston's

behalf and the terms and conditions of which shall be determined by the Parties in a separate agreement; or

- (3) BPA shall transfer Hermiston's share of RECs into a third party-managed WREGIS account. Hermiston 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 Hermiston's share of RECs from the prior calendar year to Hermiston via WREGIS in accordance with its transfer election.

If Hermiston's WREGIS account number has changed, then Hermiston 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 Hermiston. In such case, the Parties shall establish a comparable process for BPA to provide Hermiston its share of RECs.

6. FEES

BPA shall pay any reasonable fees associated with: (1) the transfer of Hermiston's RECs into any WREGIS account or WREGIS subaccount and (2) the establishment of any WREGIS subaccounts in Hermiston's name pursuant to section 5 of this exhibit. Hermiston 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 Hermiston'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 Hermiston, and
- (2) Hermiston is eligible to receive Emission Allowances at no cost from Hermiston's applicable jurisdiction and which can be used directly for compliance,

then Hermiston shall transfer, or otherwise provide, Emission Allowances to BPA on the schedule and in the amount agreed to by BPA and Hermiston that is sufficient to satisfy BPA's compliance obligations that arise in order to serve Hermiston'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 Hermiston elects to not revise this Exhibit H to include applicable special provisions in section 7.2 below, then BPA shall apply and Hermiston 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 Hermiston's WREGIS subaccount following either Hermiston'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 Hermiston 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 Hermiston:

City of Hermiston, Oregon
215 E Gladys Avenue
Hermiston, OR 97838
Attn: Nate Rivera
Electric Utility
Superintendent
Phone: 541-667-5035
E-Mail: nrivera@hermiston.or.us

If to BPA:

Bonneville Power Administration
905 NE 11th Avenue
PO Box 3621
Portland, OR 97208
Attn: Andrew Miller – PSE-6
Account Executive
Phone: 503-230-3387
E-Mail: ajmiller@bpa.gov

Additional BPA Contact:

Bonneville Power Administration
1620 E Hawthorne Road
PO Box 939
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 Hermiston:

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

Hermiston'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 Hermiston'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 Hermiston 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 Hermiston 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 Hermiston 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**

Hermiston 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 Hermiston's Dedicated Resources and Consumer-Owned Resources serving On-Site Consumer Load, Hermiston shall submit to BPA the QCC values and JCAF(s) for the Generating Resource(s) Hermiston 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 Hermiston 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 Hermiston 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 Hermiston 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 Hermiston has a Dedicated Resources or Consumer-Owned Resource serving On-Site Consumer Load amount, Hermiston 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, Hermiston shall submit a generation schedule for the Generating Resource(s) Hermiston 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 Hermiston 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 Hermiston 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 Hermiston, Hermiston 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.

Hermiston 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, Hermiston may request that BPA allow a load exclusion. Upon receipt of such request, BPA will analyze Hermiston'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 Hermiston 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 Hermiston 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 Hermiston in instances where the charge is related to one or more of the following: (1) non-performance of Hermiston'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

Hermiston shall provide notice to BPA of its or its consumer’s intent to connect an Energy Storage Device to Hermiston’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 Hermiston and Consumer-Owned Energy Storage Devices

Hermiston does not have any Energy Storage Devices at this time.

7. NON-FEDERAL NETWORK RESOURCE INFORMATION FOR TRANSFER SERVICE

Hermiston does not have any non-federal Network Resources at this time.

8. REVISIONS

BPA shall unilaterally revise this exhibit to reflect: (1) Hermiston’s resource elections and requirements in section 1 of this exhibit; (2) Hermiston’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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