#### **RECITALS**

- A. Whereas, this Agreement applies to battery energy storage facilities, that operate in parallel with the Host Utility distribution grid and are subject to review by Host Utility to ensure safety, system reliability, and operational compatibility.
- B. Whereas, a battery energy storage facility is operating in parallel with the Host Utility system when it is connected to the distribution grid and can supply energy to the Host Utility's retail customers simultaneously with the Host Utility supply of energy;
- C. Whereas, the Resource Provider desires to construct, install, operate, and maintain a battery energy storage facility identified as "Site A" in <u>Attachment D</u> hereto (the "<u>Facility</u>") and to interconnect such Facility to the Host Utility electric distribution system so that Host Utility may charge and discharge the Facility in connection with Host Utility's provision of electricity;
- D. Whereas, the Host Utility is a member of the Virginia Municipal Electric Association #1 ("VMEA"); and
- E. Whereas, the Host Utility and Resource Provider are both party to the VMEA-RWE 2025 BESS Tolling Agreement ("BESS TA") and this Agreement is subject to the terms and conditions of the BESS TA.

### **AGREEMENT**

1. <u>Scope of Agreement; Effectiveness</u>. In consideration for Host Utility allowing Resource Provider to interconnect with the Host Utility distribution system, Resource Provider agrees to abide by the terms and conditions of this Agreement, as amended or revised from time to time in accordance with <u>Section 9</u>. The execution of the Tolling Agreement by both VMEA and Resource Provider in respect of the Facility (the "BESS TA") and the Sublease from VMEA to Resource Provider (the "Sublease") of Site A shall each be a condition precedent to the effectiveness of this Agreement and all of the rights and obligations of each Party hereunder (the date that the BESS TA is so executed by the Parties, the "**Effective Date**").

### 2. Conditions to Interconnection of Facility.

- **a.** Prior to interconnecting with the Host Utility distribution system, Resource Provider shall satisfy the following conditions:
- **i.** Host Utility has previously approved the design, installation, interconnection and operation of a Facility meeting the technical specifications described in <u>Attachment A</u> hereto.

- **ii.** Resource Provider will provide advance written notice to Host Utility of its intent to proceed with construction of the Facility. Host Utility may, at its discretion, inspect BESS and interconnection equipment associated with the Facility.
- **iii.** Resource Provider must install and maintain a single lockable with visible break and Host Utility-accessible 24/7 load breaking manual group operated disconnect switch that meets Host Utility's technical requirements as shown in Attachment D. A licensed electrician in VA must certify in writing that the manual disconnect switch has been installed and is working properly.
- iv. The Facility shall be designed, installed, and operated in compliance with all applicable safety and performance standard established by the National Electric Code, National Electric Safety Code, the Institute of Electrical and Electronics Engineers, the City Fire chief, National Fire Protection Association Code, and accredited testing laboratories such as Underwriters Laboratories, as applicable at the time of agreement execution and, where applicable, rules of the Virginia State Corporation Commission regarding safety and reliability. Resource Provider shall provide written certification stating that the Tesla Megapacks 2XL units are IEEE 1547-2018 and UL 1741 compliant. Documentation stating compliance with IEEE 1547-2018 and UL 1741 shall be provided by the Resource Provider to Host Utility.
- **v.** Resource Provider shall obtain and remain in compliance with all permits or authorizations required by law to construct, install and operate the Facility.
- vi. Host Utility agrees to provide the Resource Provider an interconnection voltage at the Point of Common Coupling (PCC) of 22,860 volts +/- 5% per industry standards. Resource Provider is responsible for maintaining voltages necessary for the operation of all controls and auxiliary equipment used within the BESS Facility.
- **b.** Host Utility reserves the right to inspect the Facility at any time to verify compliance with this Section 2.
- **Term and Termination**. The term of this Agreement commences on the Effective Date and continues unless terminated in accordance with the BESS TA and <u>Sections 3.a.</u> and <u>3.b</u> below.
- a. Host Utility may terminate this Agreement if Resource Provider fails to comply with any material term or condition of this Agreement within thirty (30) days (or such longer period reasonably required by Resource Provider in the event such failure to comply cannot be reasonably cured within such thirty (30) day period and Resource Provider is pursuing a cure in accordance with prudent industry practices) after a written demand by Host Utility to do so.
- **b.** Resource Provider may terminate this Agreement if Host Utility fails to comply with any material term or condition of this Agreement within thirty (30) days (or such longer period reasonably required by Host Utility not to exceed an aggregate of ninety (90) days) after a written demand by Resource Provider to do so.
- **c.** Upon termination of this Agreement, the BESS TA, or the Sublease, the Facility shall be permanently disconnected from the Host Utility system.

## 4. Cost Responsibility for Interconnection Facilities.

- **a.** The Resource Provider will pay for the cost of, and shall be the owner of, the interconnection facilities identified in <u>Attachment B</u> as interconnection facilities located on Resource Provider's side of the point of interconnection (collectively, the "<u>Resource Provider Interconnection Facilities</u>").
- **b.** Host Utility will pay for the cost of, and shall be the owner of, the interconnection facilities identified in <u>Attachment B</u> as interconnection facilities located on Host Utility's side of the point of interconnection and which are necessary to interconnect the Facility to the Host Utility distribution grid (collectively, the "<u>Host Utility Interconnection Facilities</u>").
- **c.** Each Party will be responsible for all expenses associated with owning, installing, operating, maintaining, repairing, replacing, and removing their own respective interconnection facilities.
- **Metering**. Resource Provider will be responsible for planning and paying for the procurement, construction, installation, operation, calibration, testing and maintenance of the interconnection revenue metering equipment. The Resource Provider shall provide remote access with view capability to the Host Utility.

### 6. Liability Insurance.

- **a.** Resource Provider shall maintain insurance of the type and in the amounts set forth in BESS TA Attachment D.
- **b.** Upon Host Utility's request, Resource Provider shall provide Host Utility insurance certificate(s) from the issuing insurance company to Host Utility for validation of the proper insurance coverage on the property.
- **Modifications**. Any modification to the Resource Provider Facility will require an amendment to this Agreement signed by the Host Utility. If the Resource Provider requires a modification to the facility, the Resource Provider shall provide the Host Utility with a full written explanation of the reason for the modification, documentation of the modification, and all such other documentation as the Host Utility may reasonably request. The Host Utility shall review design modifications and provide a written response within 5 Business Days. The Host Utility shall not unreasonably withhold approval of the modification. This provision excludes ordinary maintenance items of the Facility. The maintenance plan and scheduling is provided in the BESS TA.

### 8. Interruption; Suspension; and Disconnection.

**a.** Host Utility may require Resource Provider to interrupt/disconnect or reduce operation of the Facility when necessary to construct, install, maintain, repair or inspect Host Utility equipment or if Host Utility determines that such interruption is necessary because of emergencies, forced outages, a Force Majeure Event or compliance with prudent industry practices. Host Utility shall provide Resource Provider at least three (3) days advance notice prior to any such planned interruption or reduction.

- **b.** Host Utility may, in its sole discretion, and without notice, disconnect the Facility if it appears at any time its operation may endanger Host Utility employees or may impair the integrity of the Host Utility electric distribution system. The Facility shall not be reconnected until the applicable condition has been cured or no longer poses any risk of impairment to the integrity of the Host Utility's electric distribution system.
- **9.** <u>Amendments</u>. This Agreement may be amended only by a written instrument signed by both Parties.

# 10. <u>Assignment, Liability, Indemnity, Force Majeure, Consequential Damages and Default.</u>

## a. Assignment.

- Resource Provider may not assign its rights under this Agreement or i. delegate its obligations under this Agreement without Host Utility's prior written consent, which consent will not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, Resource Provider may, without the prior written consent of Host Utility, (i) assign, mortgage, pledge or otherwise collaterally assign its interests in this Agreement to any lender or other party providing financing for the Facility, (ii) directly or indirectly assign this Agreement to an affiliate of Resource Provider, (iii) assign this Agreement to any entity through which Resource Provider is obtaining financing or capital for the Facility, and (iv) assign this Agreement to any person succeeding to all or substantially all of the assets of Resource Provider; provided that if Resource Provider assigns 100% of its interest in this Agreement to another Person, Host Utility shall be deemed to release Resource Provider from all of its obligations under this Agreement upon assumption of Resource Provider's obligations by the assignee. Host Utility's consent to any other assignment shall not be unreasonably withheld if Host Utility has been provided with reasonable proof that the proposed assignee (x) has comparable experience in operating and maintaining energy storage systems comparable to the Facility, and (y) has the financial capability to maintain the Facility and comply with the Resource Provider's obligations in the manner required by this Agreement. Resource Provider's subcontracting of any activities related to the construction, operation, repair and/or maintenance of the Facility shall not be deemed a delegation of its obligations hereunder. Upon such assignment all cost incurred by the City associated to review and negotiate the transition to another party shall be borne by the Resource Provider or may be deducted from the BESS TA services payment.
- ii. If Resource Provider transfers, pledges, encumbers or collaterally assigns this Agreement to any lender or other party providing financing for the Facility, Resource Provider shall provide written notice to Host Utility of such transfer, pledge, encumbrance or assignment. Host Utility shall also execute a consent to collateral assignment of this Agreement, which consent to collateral assignment shall be in a form conventionally required for similar financings, and shall include customary provisions reasonably requested by the lender or other party providing financing for the Facility. Such provisions may, among other matters, relate to payment of amounts due to bank accounts controlled by such lender or other financing party, reasonable consent rights of such lender or other financing party to any amendment of this Agreement, Host Utility's obligation to provide notices of events of default hereunder to such lender or other financing party,

and Host Utility's obligation to allow such lender or other financing party the ability to cure any such events of default.

- **iii.** Host Utility shall have the right to assign this Agreement upon prior written consent of the Resource Provider, which consent shall not be unreasonably withheld, provided (i) the proposed assignee's creditworthiness is equal to or better than that of Host Utility at the time of the proposed assignment and (ii) the proposed assignee undertakes to perform all of Host Utility's obligations under the Agreement.
- iv. Any attempted assignment that violates this <u>Section 10.a</u> is void and ineffective.
- **b.** <u>Limitation of Liability</u>. Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act of omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement. The foregoing shall not be deemed or construed to limit any liability of the Parties pursuant to the BESS TA, which liabilities and limitations thereon shall be defined therein.

#### c. RESERVED

### d. Force Majeure.

i. The term "Force Majeure," as used in this Agreement, means an event or circumstance that is beyond the reasonable control of, and without the fault or negligence of, the Party claiming Force Majeure (the "Claiming Party") and that by the exercise of due diligence the Claiming Party is unable to predict, overcome, anticipate, or avoid, including, without limitation, the following events or circumstances: acts of God, sudden actions of the elements such as floods, earthquakes, hurricanes and tornadoes; high winds; lightning; fire; ice storms; sabotage; vandalism; terrorism; war (declared or undeclared); riots; fire; explosion; blockades; insurrection; national or regional strike, slow down, or labor disruptions (even if such difficulties could be resolved by conceding to the demands of a labor group); supply chain disruptions, port delays, custom delays and vessel shortages; epidemics and pandemics; failure of equipment not part of the Facility or utilized by or under the control of the Party claiming Force Majeure; actions or inactions by any Governmental Authority taken after the Execution Date (including the adoption or change in any Applicable Law or the interpretation thereof, or the issuance or approval of any Permit reasonably required for the development, design, construction, operation or maintenance of the Facility (so long as Seller has timely applied for such required Permit or approval and exercises commercially reasonable efforts to diligently pursue the same). "Applicable Law" shall mean all laws, ordinances, treaties, rules, regulations, orders, interpretations, permits, certificates, judgments, decrees, injunctions and writs of Governmental Authority or arbitrator that are binding upon either or both of the Parties, the Host utility electrical system, the Facility or the terms of this Agreement. "Permit" means any approval, consent, ratification, waiver, license, registration, permit or other authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any duly authorized and valid action of any Governmental Authority. "Governmental Authority" means any federal, state or local government or agency or political subdivision thereof, or any other governmental, quasi-

governmental, judicial, executive, legislative, administrative, public or statutory instrumentality, authority, body, agency, department, commission, bureau or entity with authority to bind a party at law, including FERC, NERC and the RTO.

- ii. The term Force Majeure does not include (i) any acts or omissions of any third party, including any vendor, materialman, customer, or supplier to a Party, unless such acts or omissions are themselves excused by reason of Force Majeure; (ii) the unavailability of labor, equipment, materials, or other resources, unless such unavailability is itself excused by reason of Force Majeure; (iii) any mechanical or equipment breakdown at the Facility or other mishap or events at the Facility or conditions attributable to normal wear and tear or flaws at the Facility, unless such breakdown or other mishap or events are themselves excused by reason of Force Majeure; (iv) changes of law; (v) failure of Resource Provider to timely to apply for or diligently pursue Permits; and (vi) economic hardship.
- **iii.** Other than payment obligations associated with performance which performance occurred prior to the event of Force Majeure, neither Party shall be responsible or liable for any delay or failure in its performance under this Agreement, nor shall any delay, failure, or other occurrence or event become an Event of Default, to the extent such delay, failure, occurrence, or event is due to a Force Majeure event and:
  - 1. the Claiming Party shall give the other Party prompt written notice reasonably describing the particulars and offering reasonable evidence of the occurrence of the Force Majeure event;
  - 2. the suspension of performance shall be of no greater scope and of no longer duration than is required by the Force Majeure event;
  - 3. the Claiming Party shall proceed with reasonable diligence to remedy and mitigate its inability to perform; and,
  - 4. when the Claiming Party is able to resume performance of its obligations under this Agreement, the Claiming Party shall give the other Party written notice to that effect.

iv. In no event shall any delay or failure of performance due to a Force Majeure event extend this Agreement beyond the Term. In the event of the occurrence of a Force Majeure event under the BESS TA and that event results in the Resource Provider's delay or failure to provide a material portion of the Capacity which is excused by such Force Majeure event and continues to be excused for an aggregate period of three hundred and sixty-five (365) Days from its occurrence or inception, despite the affected Party's effort to take all reasonable steps to mitigate or prevent the effects of Force Majeure, then the Party not affected by the Force Majeure Event may, at any time following the end of such three hundred and sixty-five (365)-Day period, terminate this Agreement upon thirty (30) Days prior written notice to the affected Party, without obligation or liabilities that accrued prior to the termination. "Capacity" means the capability of the Facility to charge or discharge electric energy, as measured in MWac at the system meter under the BESS TA.

### e. Default.

- i. No uncured breach of a material obligation under this Agreement (an "Event of Default") shall exist where failure to discharge such obligation (other than the payment of money) is the result of a Force Majeure Event or the result of an act or omission of the other Party. Upon the occurrence and continuation of a material breach hereunder, the non-breaching Party shall give written notice thereof to the breaching Party. Except as provided in Section 10.e.ii, the breaching Party shall have thirty (30) calendar days from the receipt of such notice within which to cure such breach; provided, however, that if such breach is not capable of being cured within thirty (30) calendar days, the breaching Party shall commence such cure within five (5) calendar days after notice and continuously and diligently complete such cure as soon as possible, but in any event within ninety (90) days from receipt of the notice; and, if cured within such time, the breach specified in such notice shall cease to exist.
- **ii.** Following the occurrence and during the continuation of an Event of Default, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Section 10.e will survive termination of this Agreement.
- 11. <u>Integrated Agreement</u>. This Agreement represents the entire agreement between the Host Utility and the Resource Provider with respect to the interconnection of the Facility to Host Utility's electric distribution system. No other understanding or agreement with any Host Utility representative shall affect or modify any of the terms of this Agreement with respect to the subject matter hereof.
- 12. <u>No Third Party Beneficiaries</u>. This Agreement shall not be construed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any claim or cause of action under this Agreement.
- 13. <u>Counterparts</u>. This Agreement may be executed in counterparts, including by electronic means, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.
- 14. Governing Law; Choice of Forum. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF VIRGINIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH PARTY IRREVOCABLY CONSENTS AND AGREES THAT ANY DISPUTE NOT SETTLED IN ACCORDANCE WITH THE PRE-LITIGATION RESOLUTION PROVISIONS ABOVE SHALL BE BROUGHT EXCLUSIVELY IN THE COURTS OF THE COMMONWEALTH OF VIRGINIA LOCATED IN HARRISONBURG, VIRGINIA.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

RWE:		
By:		
Name:		
Title:		
Harris	onburg Electric Commission:	
By:		
Name:		
Title:		

# **Attachment A**

# Technical Specifications Pursuant to Interconnection Application

Facility Configuration		
Rated Nameplate [kVA]	7000	
Energy [MWh]	14000	

Inverter Specifications				
Inverter				
Manufacturer	Tesla			
Inverter Model	Megapack 2XL			
<b>Inverter Quantity</b>	5			
Equipment				
Configuration	P240, EC23			
Nameplate Output				
Power	2400kW			
Nameplate Output				
Current	2886.8A			
<b>Inverter Output</b>				
Voltage	480V			

Standards Compliance		
IEEE 1547a-2020	Yes	
UL-1741 SB	Yes	

# **Attachment B**

# Interconnection Facilities

Resource Provider Interconnection Facilities:	•	Medium Voltage (MV) Underground Conduit Prep
racinues.	•	MV Connection Bus and Enclosure
	•	Three MV Transformers for Battery Container Supply
	•	Spare MV Transformer
	•	Primary Site Metering and Metering Connection
	•	Site Communications Enclosure
Host Utility Interconnection Facilities:	•	Integrated SCADA Monitoring/Control
racinties.	•	Site Metering for Billing Purposes and Back-up BESS Data
	•	MV Cable from Pole to Host Utility's Pad-Mount MV Switchgear
	•	MV Cable from Host Utility's Pad-Mount MV Switchgear to Resource Provider's Pad-Mount MV Connection Bus
	•	Fiber Optic Termination in Site Communications Enclosure

#### Attachment C

### Insurance Coverage

During the Term, Resource Provider shall maintain (and shall require its contractors to maintain) insurance of the type and in the amounts set forth in BESS TA Attachment D.

Resource Provider shall provide Host Utility with additional insured status on all policies required herein except Worker's Compensation/ Employer's Liability. Resource Provider hereby waives all rights and claims against Host Utility for losses covered by any insurance policies required to be carried by Resource Provider under this <u>Attachment C</u>, and waives all rights of subrogation of Resource Provider and its insurers, and include a waiver of subrogation in favor of Host Utility on all policies shown above. The insurance required to be maintained by Resource Provider pursuant to this <u>Attachment C</u> may be carried under master insurance policies so long as such policies comply with this <u>Attachment C</u>. The Commercial General Liability Insurance policy shall be primary and non-contributory and include appropriate separation of insured language.

# **Attachment D**

Conceptual Site Map and Single Line Diagram (subject to change pending final engineering design)