

VALLEY CLEAN ENERGY ALLIANCE

LARGE ELECTRIC LOAD CUSTOMER SERVICE POLICY

Valley Clean Energy Alliance's (VCE) mission is to provide clean electricity, product choice, and greenhouse gas emission reductions --- all with local control at lower prices. VCE has adopted this Large Electric Load Customer Service Policy (Policy) to assure consistency with its mission while providing efficiency and value when offering retail power supply to Large Electric Load (LEL) Customers. The purpose of this Policy is to provide guidance to LEL Customers regarding VCE electric service pursuant to defined commercial terms, and to provide transparent guidelines to VCE staff in evaluating and providing such service to existing and new LEL Customers. This Policy may be revised from time to time by the VCE Board.

LARGE ELECTRIC LOAD POLICY :

- 1) A LEL Customer is an existing or new customer that has historically, or is projected to consume and/or add greater than 20,000 MWh energy use or incur a 2 MW or greater peak demand during any contiguous 12-month period.
- 2) Prospective and existing LEL Customers are required to contact VCE's business office at 1(855)699-8232 prior to facilities construction for new load service and or increasing existing load service above the threshold levels described in Paragraph 1 above.
- 3) For LEL additions, VCE, at its sole discretion, may require a Business and Power Supply Impact Study (IS) to estimate reasonable costs and operational implications of serving such LEL, together with identifying associated administrative, economic, reliability and or regulatory compliance effects on VCE or VCE's customer base, including, but not limited to, procurement composition requirements such as Renewables Portfolio Standards and Integrated Resource Planning processes. If an IS is conducted, VCE will manage or oversee such IS, the funding for which will be provided by VCE, the LEL entity, or some combination of both, to be outlined in a letter agreement between VCE and the LEL.
- 4) VCE shall analyze the feasibility and implications of new load service to the LEL and form of such service (e.g., whether the prospective LEL is to be served under an existing tariff arrangement or may require a separately negotiated Power Sales Contract (PSC) between VCE and the LEL entity). If a PSC is required, such PSC shall identify and formalize commercial terms of service including power supply charges, resource adequacy obligations, local and system capacity obligations, contract duration, credit provisions, current and future regulatory requirements and other factors pertinent to VCE and the LEL. Such PSC may include flexibility for the LEL to self-provide and or self-procure, all or a portion of its power supply requirements.
- 5) VCE shall require prospective LEL customers to provide periodic updates regarding applicable interconnection studies, interconnection facilities construction schedule(s), projected

interconnection facilities completion date(s), projected power service start date, projected initial and longer-term load phase-in schedule, and other information pertinent to establishing VCE power supply service to the LEL customer. VCE staff shall maintain a current file of all updates provided by each new LEL customer.

- 6) LEL PSCs are intended to recover reasonable costs incurred by VCE associated with serving such LEL including a reasonable contribution to VCE's administrative and general costs and financial operating reserves, while complying with applicable law, VCE's Implementation Plan, Board rates and rate adjustments, approved business, operating and risk management policies and the goals of controlling transaction costs and protecting VCE's customers.
- 7) LEL PSCs are intended to identify and mitigate potential operational and cost risks to VCE, VCE's existing customer base, and the LEL customer, in a manner consistent with VCE's risk management policies and procedures. Each new PSC shall comply, as applicable, with all existing Board-approved VCE policies and procedures. Successful consummation of a PSC is a prerequisite for any LEL to obtain power supply services from VCE.
- 8) VCE's Chief Executive Officer, or his/her designee, shall have the authority to negotiate PSCs in consultation with VCE's General or Special Counsel, as applicable. VCE's Enterprise Risk Oversight Committee (EROC) shall review and recommend approval of any PSC prior to consideration by the Board of Directors.
- 9) PSCs must be approved by the VCE Board of Directors.