

Peak-Time Payback Battery Energy Storage System Program
Terms & Conditions for Systems Installed On or After July 1, 2024 and Applying
for Advance Payment

Effective August 1, 2024

Welcome to the Peak-Time Payback Program, offered by the Guadalupe Valley Electric Cooperative, Inc. (“GVEC”).

The Peak-Time Payback Program allows you to take advantage of a program that GVEC, including its third-party contractors or agents such as Parsons/IPKeys Power Partners (any and all of those entities collectively referred to here as “GVEC”) offers for adjusting your energy consumption during critical hours to reduce strain on the power grid and save money on Generation & Transmission costs defined by these peak times. Under the program, GVEC can schedule a Peak-Time Payback event, prompting your eligible Battery Energy Storage System (referred to as your “BESS”) to automatically charge, discharge, and respond to grid conditions.

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

- Are a valid GVEC member with an active electric service account in good standing.
- Have a valid Interconnection Agreement in place with GVEC.
- Have an eligible Enphase BESS that was installed on or after July 1, 2024. Only Enphase BESS are eligible at this time.
- Own the property on which the eligible BESS is located.
- Have an active customer account with the manufacturer of the BESS.
- Have the BESS connected to the internet through ethernet or a strong Wi-Fi connection.
- Agree to participate in the program for a period of not less than 5 years. Early termination from the program is a material breach and default, and will be subject to the terms and conditions below.

Enrollment in the program will depend on GVEC approving your request for enrollment. Your enrollment request may be declined, or your enrollment terminated, if you do not satisfy eligibility requirements, if the enrollment information is not accurate, or for any other reason.

For each participating BESS, GVEC will give the member a one-time payment (the “Advance Payment”) of \$220 per installed kilowatt (“kW”) of manufacturer rated continuous capacity to participate in the program for a term of 5 years. At the member’s expressed written request, Advance Payment may be credited to the member’s electric service account, credited as a prepayment to the member’s loan balance (if applicable), or issued as a check. This request will be processed within 6 to 8 weeks after the member’s eligibility is confirmed.

Beginning in January of the year following installation, members will receive an additional payment of \$75 per installed kW of manufacturer rated continuous capacity (the “Additional Payment”) for each year they are enrolled in the program and will be processed within 6-8 weeks after continued enrollment is verified. This Additional Payment will be credited to the member’s electric service account in the form of a monthly payment equal to the total kW of manufacturer rated continuous capacity times \$75 divided by 12.

To earn the Advance Payment described above, your BESS must enroll in the program within 14 days of completion of all required documents and agreement to these terms and conditions in writing, and it must continue to participate in the program for 5 years. If your BESS does not enroll within the specified time period or ceases to participate for any reason before the end of the 5 years, the participating member will be in material breach and default under this agreement. Such default will result in the unearned part of the Advance Payment to be forfeited and to become due and owing to GVEC. Repayment of the Advance Payment will be calculated on a prorated basis and be required as a one-time charge to the member’s electric service account. For example, if a participant ceases their participation after three years, that participant would have earned 36 months’ worth of the Advance Payment and must repay the remaining 24 months’ worth of the Advance Payment, equal to 40% of the Advance Payment.

If a participating member’s electric service account becomes delinquent as a result of being assessed the one-time prorated charge for repayment of the Advance Payment due to early termination from the program, GVEC may discontinue electric service in accordance with its tariff and applicable law.

If a member discontinues electric service within the 5-year period of receiving the Advance Payment and thereby cannot participate in the program, such act will be a material breach and default under this agreement. Such default will result in repayment of the Advance Payment as described above. Repayment will be calculated on a prorated basis and be required as a one-time charge to the member’s electric service account and due in full on their final electric service invoice.

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

To participate, all BESS installed at your GVEC service address will need to be enrolled into the program. By enrolling in the program, you are accepting GVEC’s terms and

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conditions. GVEC will send operating instructions to your BESS, optimize its operations, and change its state on an event day. The BESS will not be drawn down below a 30% reserve level to allow for backup. This means the battery will not discharge below 30%. GVEC will collect data about your BESS technology, including but not limited to model and power consumption, and may use this information to enable, manage your participation in, provide support for, and improve the program. GVEC has contracted with Parsons/IPKeys Power Partners to manage the program.

The BESS owner acknowledges that:

- They cannot opt out of this program before the end of the 5-year term without materially breaching and defaulting under this agreement. Such default results in forfeiting and repaying the Advance Payment as described above.
- They cannot be on GVEC's time-of-use rate option while participating in this program.
- They will not be able to opt out of called events.
- The BESS will be put into Full Backup Mode before an event, so the battery is fully charged for the event.
- GVEC may call events as often as daily, but not to exceed 1 event per day on average.
- StormGuard mode, if applicable, will be overridden during called events.
- GVEC will use good faith efforts not to call events before or during major storms or severe weather events that GVEC believes are likely to result in widespread outages.

If GVEC changes its terms and conditions under the program, you may need to accept the new terms and conditions to continue to participate.

YOU RELEASE AND HOLD HARMLESS GVEC FROM ANY LIABILITY, CLAIM, DEMAND, CAUSE OF ACTION, DAMAGE OR EXPENSE RESULTING FROM YOUR PARTICIPATION IN THE PROGRAM. These terms and conditions become effective when you submit your enrollment request and will continue until amended by GVEC or your participation is terminated either by yourself or GVEC, whichever occurs first. Notwithstanding the foregoing, terms related to payment, repayment, and indemnification shall continue until all related duties have been fulfilled.

After the initial 5-year term, you may cancel your participation in the Peak-Time Payback Program by calling GVEC at 800.223.4832.

ACCEPTED AND AGREED TO:

Signature:

Printed Name:

Date:
