



RESOLUTION NO. U-11557

1 A RESOLUTION related to the Department of Public Utilities, Light Division,
2 authorizing the execution of a Power Sales Agreement with the
3 Bonneville Power Administration, Contract No. 26PS-25090, including
4 the authority to execute a related Creditworthiness Agreement and to
5 take all other actions necessary or convenient to implement such
6 agreements.

7 WHEREAS the Department of Public Utilities, Light Division ("Tacoma
8 Power") participated, along with other consumer-owned utilities in the
9 Northwest, in the multi-year Provider of Choice contract terms and conditions
10 workshops and negotiations with Bonneville Power Administration ("BPA"),
11 including the Provider of Choice Contract administrative process; and

12 WHEREAS, the culmination of such workshops, negotiations and
13 processes is the BPA's offer of the long-term Power Sales Agreement, Contract
14 No. 26PS-25090 (the "Power Sales Agreement"), which provides for significant
15 power deliveries to Tacoma commencing in October 2028 and ending in 2044;
16 and

17 WHEREAS, BPA requires that Tacoma Power also execute a related
18 Creditworthiness Agreement as part of the Power Sales Agreement; and is
19 requesting authority to execute a related Creditworthiness Agreement, with the
20 Bonneville Power Administration (the "Agreements"), and

21 WHEREAS Tacoma Power's current power generating capacity is
22 insufficient to meet the load requirements of its customers without the
23 supplemental power from BPA, and
24
25
26



WHEREAS BPA currently provides approximately 50 percent of the power needed by Tacoma Power to meet the load requirements of its customers under Tacoma Power's current Regional Dialog Agreement with BPA, and

WHEREAS BPA has historically offered power to consumer-owned utilities like Tacoma Power at rates below market prices and it is Tacoma Power's belief that this trend will continue over the life of the Power Sales Agreement, and

WHEREAS pursuant to the Power Sales Agreement, Tacoma Power will purchase a slice component and a block component of power from BPA pursuant to Section 5(b) of the Northwest Power Act, and

WHEREAS Tacoma Power has determined that its obligations under the Power Sales Agreement and the Creditworthiness Agreement are reasonable and necessary to enable Tacoma Power to meet its power supply needs, and

WHEREAS it is in the best interests of Tacoma Power and its ratepayers that Tacoma Power executes the Agreements, Now, Therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That Tacoma Power's request for authorization to execute the Power Sales Agreement, Contract No. 26PS-25090 with the Bonneville Power Administration, together with its related Creditworthiness Agreement is approved, and the appropriate City officials are hereby authorized to execute and deliver the Power Sales Agreement, Contract No. 26PS-25090 and the



Creditworthiness Agreement substantially in the form on file with the Clerk
and/or as approved by the City Attorney's Office. The appropriate City officials
are hereby authorized to take any and all actions necessary or convenient to
implement such agreements.

Approved as to form:

Chair

/s/
Chief Deputy City Attorney

Secretary

Clerk

Adopted _____



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Chris Robinson, Power Superintendent
MEETING DATE: October 8, 2025
DATE: October 6, 2025

GUIDING PRINCIPLE ALIGNMENT (select as many that apply):

Please indicate which of the Public Utility Board's Guiding Principle(s) is supported by this action.

- | | |
|--|--|
| ☐ GP1 – Diversity, Equity, Inclusion, Belonging | ☒ GP7 – Reliability & Resiliency |
| ☒ GP2 – Financial Sustainability | ☐ GP9 – Economic Development |
| ☒ GP3 – Rates | ☐ GP10 – Government Relations |
| ☐ GP4 – Stakeholder Engagement | ☐ GP12 – Employee Relations |
| ☒ GP5 – Environmental Sustainability | ☐ GP13 – Customer Service |
| ☐ GP6 – Innovation | ☐ GP14 – Resource Planning |

SUMMARY: This resolution seeks authorization for Tacoma Power/Tacoma Public Utilities to sign the Bonneville Power Administration (BPA) Provider of Choice Power Sales Agreement to purchase Slice/Block power from October 1, 2028, through September 30, 2044, and the related Creditworthiness Agreement.

BACKGROUND:

BPA was established in 1937 by the U.S. government to market and distribute electricity generated by the federal dams on the Columbia River. The primary mission of the BPA is to deliver low-cost, reliable power to the Pacific Northwest, especially to public power entities such as municipal utilities, rural electric cooperatives, and public agencies (preference customers).

Tacoma Power has a long-standing relationship with BPA and has been a BPA customer since 1940. As a public utility in the Pacific Northwest, Tacoma Power is one of BPA's preference customers, benefiting from priority access to federally generated hydropower. Tacoma Power receives more than half its power supply through its contract with BPA. Our current "Regional Dialogue" contract with BPA expires on September 30, 2028. The Board approved the Regional Dialogue Contract and associated Creditworthiness Agreement at the November 12, 2008, Board Meeting with Resolution U-10251. Though BPA has updated its terms from those in the "Regional Dialogue" contract to those in the "Provider of Choice" contract, its basic purpose remains the same: It is a sales agreement to sell federally generated power to Tacoma Power. This new resolution requests authorization to execute the Provider of Choice contract, enabling Tacoma Power to continue purchasing power from BPA, beginning October 1, 2028, and continuing through September 30, 2044.

The resolution also requests approval of the new associated Creditworthiness Agreement. The Creditworthiness Agreement establishes the standards by which BPA may request credit support if Tacoma Power's financial standing changes. Tacoma Power Energy Risk Management staff have reviewed the Creditworthiness Agreement and found it conforms with a standard credit agreement.



Board Action Memorandum

The Provider of Choice contract between BPA and Tacoma Power will be for the purchase of the Slice/Block product, which is the same power product Tacoma Power currently purchases from BPA. Prior to notifying BPA of our product selection for the Provider of Choice contract, Tacoma Power presented its analysis of BPA product options to the Public Utility Board during the April 23, 2025 study session. Careful analysis resulted in Tacoma Power determining Slice/Block remains the best product option for the utility and its customers.

The estimated cost of the Slice/Block product is approximately \$123 million per year in nominal 2029 dollars. The cost of the product in any given year will depend on many factors, including Tacoma Power's load, BPA system costs, BPA's system load, and weather factors that impact both Tacoma Power and BPA's hydro systems.

The Provider of Choice contract, in conjunction with the Public Rate Design Methodology, establishes the rates, terms and other contractual provisions for the 16-year contract term. Tacoma expects to remain in the lowest rate class, Tier 1, for the duration of the agreement. The contract also includes a new section addressing the Western Resource Adequacy Program and the upcoming switch to the Markets+ day-ahead market, which will require contract amendments in the next few years.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW IT IS TO BE COVERED.

N/A

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? Yes

ATTACHMENTS:

1. Bonneville Power Administration (BPA) Provider of Choice Power Sales Agreement (Redacted, Public-Facing Version)
2. Slice Creditworthiness Agreement

CONTACT:

Primary Contact: Leah Marquez-Glynn, Assistant Section Manager, Power Management, (253) 345-1688

Supervisor's Name: Ray Johnson, Section Manager, Power Management, (253) 306-0149

Presenter: Ray Johnson, Power Section Manager, Power Management, (253) 306-0149



Department of Energy

Bonneville Power Administration
Seattle Customer Service Center
915 2nd Avenue, Suite 3360

POWER SERVICES

September 30, 2025

In reply refer to: PSW/SEATTLE

Contract No. 26PS-45005
CREDITWORTHINESS AGREEMENT

Jackie Flowers
Director of Utilities
City of Tacoma,
Department of Public Utilities, Light Division
PO Box 11007
Tacoma, WA 98409-3192

Dear Jackie:

The BONNEVILLE POWER ADMINISTRATION (BPA) and CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION (Tacoma) intend to enter into Contract No. 26PS-25090, Slice/Block power sales agreement (Slice Agreement). This Creditworthiness Agreement (Agreement) is only applicable to Tacoma's Slice Agreement. BPA and Tacoma are sometimes referred to individually as "Party" and jointly as "Parties."

BPA and Tacoma agree as follows:

1. TERM

This Agreement takes effect on the date the Slice Agreement is signed by BPA and Tacoma, and shall continue in effect until the date, after termination or expiration of the Slice Agreement, on which all payment obligations of Tacoma to BPA in connection with the purchase of electric power by Tacoma under section 5 of the Slice Agreement have been satisfied.

2. DEFINITIONS

(a) "Acceptable Credit Support" means the following, as determined by BPA, provided that BPA may in its discretion agree that other arrangements may qualify:

- (1) The deposit of cash by Tacoma in an escrow or trust account managed by a bank; provided, that, such deposit shall qualify as Acceptable Credit Support only if the amounts required under this Agreement have been deposited in such account for a minimum of six continuous months (or such other continuous period as shall defeat a voidable preference under Federal bankruptcy law then in effect). If Tacoma utilizes an escrow or trust account, then such account shall be

managed by a bank BPA has accepted. The account shall be managed by the bank pursuant to the terms and conditions of an agreement that BPA has accepted;

- (2) (A) An irrevocable standby letter of credit (LOC) issued by: (i) a federally insured bank having at least \$1 billion in deposits and whose senior unsecured debt is rated "A" or better by at least two Major Credit Rating Companies; (ii) the National Rural Utilities Cooperative Finance Corporation, so long as its senior unsecured debt is rated "A" or better by at least two Major Credit Rating Companies; or (iii) an institution of equivalent creditworthiness, as determined by BPA.

(B) The terms and conditions of the LOC shall provide that:

- (i) It must be payable in full solely to BPA not later than three Business Days after written demand by BPA and without further conditions;
- (ii) It must guarantee payment and not performance;
- (iii) It must waive diligence, presentment, demand, protest, notice of acceptance or any other notice;
- (iv) It must not be terminable by Tacoma without BPA's approval;
- (v) It must be subject to amendment only with BPA's approval;
- (vi) It must be non-transferable and the issuer of the LOC must be obligated to notify BPA of any assumption or assignment thereof;
- (vii) Except as otherwise stated in section 2(a)(2)(B)(i-vi), this LOC is subject to International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (ISP98), and as to matters not addressed by the ISP98 this letter of credit shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to principles of conflicts of laws, except that to the extent the Parties' rights and obligations are required to be governed by United States Federal law, then such rights and obligations shall be governed by United States Federal law.

From time-to-time, the Parties may agree to attach hereto a form of LOC to be used by Tacoma if Acceptable

Credit Support must be posted pursuant to this Agreement.

- (b) “Business Day” means any day that is normally observed by Tacoma as a workday. If the last day of a period during which an action is to be taken under this Agreement falls on a day that is not a Business Day, the last day of such period shall be the next Business Day.
- (c) “Major Credit Rating Companies” means Standard & Poor’s, Moody’s Investors Services, Inc., Fitch Ratings, or their respective affiliates and successors.
- (d) “Maximum Annual Power Billing” means: (1) at a given time other than in the first year in which power is to be sold to Tacoma under the Slice Agreement, an amount equal to twelve times the greatest monthly amount billed to Tacoma by BPA for power sold under section 5 of the Slice Agreement in the preceding twelve months, and (2) at a given time in the first year in which power is to be sold to Tacoma under the Slice Agreement, an amount equal to twelve times the greatest monthly amount forecast to be billed to Tacoma by BPA for power sold under Section 5 of the Slice Agreement in such year calculated consistent with BPA’s then-applicable Power Rate Schedules and GRSPs, regardless of whether or not such schedules and GRSPs are final proposed schedules or have been confirmed by the Federal Energy Regulatory Commission on a provisional or final basis. In the case of both (1) and (2) hereof, the Maximum Annual Power Billing shall not include any amounts for Slice True-Up Adjustment Charge, or the Tier 1 Marginal Energy True-Up Charge, as defined in the PRDM.
- (e) “Public Rate Design Methodology” or “PRDM” shall have the meaning as defined in the Slice Agreement.
- (f) “Unenhanced” means, with respect to debt of Tacoma, that such debt is secured by the revenues of Tacoma only and is not supported by another entity whether through bond insurance, guarantee, or another financial product. In addition, the term is meant to exclude project financed debt and debt that is outstanding but defeased or escrowed to maturity.

3. CREDIT REVIEW AND ACCEPTABLE CREDIT SUPPORT

- (a) **Credit Review**
BPA shall conduct a credit review of Tacoma to determine the amount of Acceptable Credit Support, if any, that Tacoma must post on or before the date power deliveries by BPA commence under the Slice Agreement.
- (b) **When Acceptable Credit Support Will Not Be Initially Required**
At the time power deliveries by BPA commence, Tacoma shall have no obligation to post Acceptable Credit Support under either of the following conditions:

- (1) as of August 1, 2028, Tacoma's senior, unenhanced debt, if any, is rated by one or more of the Major Credit Rating Companies; and: (A) none have rated such debt below investment grade (BBB- or its equivalent); and (B) in the case of any such debt having a rating at the lowest investment grade (BBB- or its equivalent), Tacoma is not on negative credit watch, or
- (2) as of August 1, 2028, BPA internally rates Tacoma BBB- or greater after completion of the credit review pursuant to section 3(a).

(c) **When Acceptable Credit Support is Required**

If BPA determines that Tacoma does not meet the criteria outlined in section 3(b), then Tacoma shall post Acceptable Credit Support at the time power deliveries by BPA commence under the Slice Agreement, assuming timely provision of information by Tacoma under section 3(d). BPA shall notify Tacoma of the result of such a determination no later than August 1, 2028. If BPA timely notifies Tacoma that Acceptable Credit Support is required at the time power deliveries by BPA commence under the Slice Agreement, then Tacoma must post Acceptable Credit Support on or before the time power deliveries by BPA commence under the Slice Agreement in the amount, if any, determined by BPA; provided, however, that the amount of Acceptable Credit Support may not at any time exceed the product of 0.120 and the Maximum Annual Power Billing.

(d) **Tacoma's Failure to Submit Credit Application and Related Information**

If BPA has not received a completed credit application and other information to BPA's satisfaction by April 1, 2028, BPA, without any credit review, may require that Tacoma post Acceptable Credit Support in an amount equal to the product of the Maximum Annual Power Billing and 0.120 at the time power deliveries by BPA commence under the Slice Agreement. In such event, Tacoma must maintain that amount of Acceptable Credit Support until such time as BPA determines otherwise; provided, however, that BPA shall complete the comprehensive credit review of Tacoma as soon as practicable after the receipt of a credit application.

4. CONTINUING CREDIT REVIEW

From the time power deliveries by BPA commence under the Slice Agreement until the termination or expiration of this Agreement, Tacoma shall be subject to continuing credit review by BPA. BPA may periodically review Tacoma's creditworthiness and determine, consistent with the terms of this Agreement, the amount, if any, of Acceptable Credit Support that Tacoma must post and maintain; provided, however, that Tacoma shall not be required to post or maintain Acceptable Credit Support in excess of the product of 0.120 and the Maximum Annual Power Billing. Within three Business Days of receipt by Tacoma of notice by BPA to post or increase the amount of Acceptable Credit Support, Tacoma shall post or increase the amount of Acceptable Credit Support to the amount determined and provided in the

notice by BPA. BPA shall promptly review any Acceptable Credit Support proposed by Tacoma to determine whether it satisfies the requirements of this Agreement. From time-to-time during the term of this Agreement, BPA may request and Tacoma shall provide updated information of the type described in section 3(d); provided, however, that such information must be reasonably necessary to BPA's evaluation of Tacoma's creditworthiness, and, provided further, that Tacoma shall have no obligation to provide BPA with any confidential or business sensitive information.

The following events or conditions are grounds for BPA to determine that Tacoma post or increase the amount of Acceptable Credit Support under this section 4:

- (a) BPA has knowledge that Tacoma has defaulted on or is not performing its payment obligations under power marketing contracts, or loans, notes, bonds, or other evidences of indebtedness;
- (b) Tacoma has senior, unenhanced debt that is either:
 - (1) Rated by at least one Major Credit Rating Company as non-investment grade at or below BB+ or its equivalent, or
 - (2) Rated by at least one Major Credit Rating Company at the lowest investment grade (BBB- or its equivalent) and Tacoma is on a negative credit watch issued by that Major Credit Rating Company;
- (c) The enactment by any legislative body with competent jurisdiction over Tacoma of legislation that would render unlawful: (1) the performance by Tacoma of any absolute or contingent obligation to make a payment or to receive delivery in respect of the Slice Agreement, or of any other material provision of the Slice Agreement; or (2) the performance by Tacoma of any material contingent or other obligation that Tacoma has under this Agreement, the Slice Agreement or any Acceptable Credit Support relating to this Agreement;
- (d) Tacoma takes an official position in any legal proceeding to which it is a party that its performance under the Slice Agreement is unlawful or unauthorized;
- (e) Any litigation is filed against Tacoma, or by Tacoma, contesting the validity or enforceability of Tacoma's obligations under the Slice Agreement or this Agreement, or any material provision of the Slice Agreement or this Agreement;
- (f) Substantial changes in market prices occur that materially and adversely impact Tacoma's ability to make payments under the Slice Agreement;
- (g) Other material changes in Tacoma's financial condition have occurred that may adversely impact Tacoma's ability to make payments under the Slice Agreement; or

- (h) Failure of Tacoma to provide BPA with information requested by BPA, and to the extent that Tacoma does not provide the requested information, BPA is free to draw any conclusion about the creditworthiness of Tacoma with respect to the subject matter of the request.

5. OBLIGATION TO PROVIDE EVIDENCE OF ACCEPTABLE CREDIT SUPPORT

Tacoma shall provide BPA with copies of any Acceptable Credit Support immediately upon execution of such Acceptable Credit Support, Tacoma shall provide BPA reliable evidence that Acceptable Credit Support is in effect in the amount required by this Agreement within two Business Days of notice by BPA.

6. DISPUTES

- (a) Tacoma may dispute BPA's determinations for the posting of or an increase in the amount of Acceptable Credit Support under this Agreement only if Tacoma timely posts the amount so determined by BPA, not to exceed the product of 0.120 and the Maximum Annual Power Billing. Tacoma shall maintain such Acceptable Credit Support until the dispute is finally resolved or BPA agrees otherwise.
- (b) Tacoma may dispute whether BPA's requests for information are consistent with the terms of this Agreement only if Tacoma posts Acceptable Credit Support in an amount determined by BPA, not to exceed the product of 0.120 and the Maximum Annual Power Billing. Tacoma must maintain such Acceptable Credit Support until the dispute is finally resolved or BPA agrees otherwise.
- (c) Tacoma may dispute a determination by BPA whether a LOC or other form of security meets the requirements of an Acceptable Credit Support only if Tacoma posts or maintains security acceptable to BPA and in an amount determined by BPA, not to exceed the product 0.120 and the Maximum Annual Power Billing.
- (d) In the event of a dispute arising under this section 6, the dispute resolution procedures in section 19 of the Slice Agreement shall apply.

7. REQUESTS TO REEVALUATE CREDITWORTHINESS

Tacoma may request, at any time during the term of this Agreement, that BPA reevaluate Tacoma's creditworthiness. Upon such request, BPA shall determine, consistent with the provisions of this Agreement, whether to reduce the amount of Acceptable Credit Support then required to be posted or maintained by Tacoma.

8. FAILURE TO POST OR MAINTAIN SECURITY

In the event Tacoma does not: (a) post or maintain Acceptable Credit Support in the amount required hereunder; or (b) provide reasonably reliable evidence thereof, in each case as provided in this Agreement, Tacoma is in default of this Agreement.

Tacoma has three Business Days from the date of receipt by Tacoma of notification by BPA of such default to cure such default by posting Acceptable Credit Support in the amount required hereunder, or, as the case may be, by providing BPA with reasonably reliable evidence thereof. If the default is not so cured within such period, Tacoma is in material breach of this Agreement and the Slice Agreement, and BPA may terminate its obligation to deliver electric power under the Slice Agreement as provided in section 24 thereof.

9. ACCESS TO AND USE OF FUNDS

- (a) **Access to Funds Available Under Acceptable Credit Support**
BPA is entitled under this Agreement to draw on or receive the funds available under an Acceptable Credit Support only if Tacoma has been billed under section 16.1 of the Slice Agreement, and the amount so billed remains unpaid, in whole or in part, after the 45 day cure period outlined in section 16.4 of the Slice Agreement. This section shall not be interpreted to require that BPA meet any condition of demand, satisfaction, presentment or other notice prior to drawing on or receiving the funds provided under any credit support provided under this Agreement.
- (b) **Use of Funds Available Under Acceptable Credit Support**
If BPA draws on or receives the funds available under an Acceptable Credit Support, such funds shall be used by BPA first to satisfy all liabilities due and owing from Tacoma to BPA pursuant to the terms of the Slice Agreement arising from or related to the delivery of power to Tacoma under section 5 of the Slice Agreement, and second to any other amounts that are due and owing BPA, but that are unpaid under the Slice Agreement including without limitation amounts billed to Tacoma thereunder, any interest thereon, and any Slice True-Up Adjustment Charge (as defined in the PRDM). If the amount of the funds provided to BPA exceeds the sum of all such liabilities, the amount remaining after all such liabilities are satisfied shall be promptly returned by BPA to Tacoma, with interest on the excess funds from the date BPA took possession of those funds to the date the excess funds are returned to Tacoma. Such interest shall be calculated by dividing the Prime Rate for Large Banks as reported in the Wall Street Journal on the date BPA took possession of those funds by 365, and applying the resulting interest rate to the excess funds returned to Tacoma for each day of the period for which interest is due under this section.
- (c) **No Affect On Other Credit Support Obligations**
BPA's rights to credit support under this Creditworthiness Agreement shall be in addition to and not in derogation of any other credit support or performance assurance provided under the Slice Agreement or any other agreement.

10. NOTICES

Any notice required under this Agreement shall be provided in writing to the other Party in one of the following ways:

- (a) Delivered in person;
- (b) By a nationally recognized delivery service with proof of receipt;
- (c) By United States Certified Mail with return receipt requested;
- (d) Electronically, with verification of the electronic notice's origin, date, time of transmittal and receipt; or
- (e) By another method agreed to by the Parties.

Notices are effective when received.

11. 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 TACOMA, DEPARTMENT OF
PUBLIC UTILITIES, LIGHT DIVISION

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By _____

By _____

Name Jackie Flowers
(Print/Type)

Name Kathryn Patton
(Print/Type)

Title Director of Utilities

Title Account Executive

Date _____

Date _____

Approved for availability of funds:

By _____

Name Andy Cherullo
(Print/Type)

Title Finance Director

Date _____

Approved as to form and legality:

By _____

Name Engel Lee
(Print/Type)

Title Chief Deputy City Attorney

Date _____

(PSW/POC/TP_Creditworthiness_45005_20250930_final.docx) 09/30/2025

Contract No. 26PS-25090

POWER SALES AGREEMENT

executed by the

BONNEVILLE POWER ADMINISTRATION

and

CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION

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Exhibit A Net Requirements and Resources
Exhibit B Contract High Water Marks
Exhibit C Purchase Obligations
Exhibit D Additional Products and Special Provisions
Exhibit E Metering
Exhibit F Scheduling

Exhibit G This Exhibit Intentionally Left Blank
Exhibit H Renewable Energy Certificates and Environmental Attributes
Exhibit I Notices and Contact Information
Exhibit J Support Services; Additional Resource and Energy Storage Device Requirements
Exhibit K Annual Slice Percentage and Firm Slice Amounts
Exhibit L Provider of Choice Slice Application
Exhibit M Slice Operating Procedures

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 TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION (Tacoma), hereinafter individually referred to as "Party" and collectively referred to as the "Parties". Tacoma is a municipal corporation, organized and authorized under the laws of the State of Washington, to purchase and distribute electric power to serve retail consumers from its distribution system within its service area.

RECITALS

Tacoma's power sales agreement Contract No. 09PB-13111 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-13111 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 Tacoma that establishes the amount of power Tacoma may purchase from BPA at Tier 1 Rates.

The Parties agree:

- TERM**
This Agreement takes effect on the date signed by the Parties and expires on September 30, 2044. Power sales by BPA to Tacoma 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. § 839c(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 "Actual BOS Generation" means the actual generation produced by the BOS Complex, as adjusted for actual Designated System Obligations and CHWM Modeled Augmentation.
- 2.6 "Actual Slice Output Energy" or "ASOE" shall have the meaning as defined in section 2 of Exhibit M.
- 2.7 "Algorithm Tuning Parameters" shall have the meaning as defined in section 2 of Exhibit L.

- 2.8 "Annexed Load" means existing load, distribution system (regardless of voltage), or service territory Tacoma 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 Tacoma.
- 2.9 "Annual Net Requirement" means BPA's forecast of Tacoma's Net Requirement for each Fiscal Year that results from the process established in section 1 of Exhibit A and is shown in the table in section 1.2 of Exhibit A.
- 2.10 "Annual RSO Test" means an annual test performed by BPA that measures Slice-To-Load pursuant to section 5.6.5.2 and section 11.2 of Exhibit M.
- 2.11 "Attribute Pools" shall have the meaning as defined in section 2 of Exhibit H.
- 2.12 "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.
- 2.13 "Balance of System" or "BOS" means the Tier 1 System Resources other than the six Simulator Projects net of Designated System Obligations. Customers receive a share of the BOS complex in three different ways: BOS Base Energy, BOS Deviation Return and BOS Flexibility.
- 2.14 "Balancing Authority" shall have the meaning as defined in section 1 of Exhibit F.
- 2.15 "Balancing Authority Area" shall have the meaning as defined in section 1 of Exhibit F.
- 2.16 "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 pursuant to the terms set forth in section 4 of this Agreement.
- 2.17 "BOS Base" means the forecast generation amounts available from the BOS Complex, as adjusted by BPA for forecast Tier 1 System Obligations and CHWM Modeled Augmentation.
- 2.18 "BOS Complex" means the Tier 1 System Resources, except those resources that comprise the Coulee-Chief Complex and Lower Columbia Complex.
- 2.19 "BOS Deviation Account" means the account BPA maintains that quantifies the cumulative amount, expressed in megawatt days, by which Tacoma's

hourly BOS Base schedules deviate from the amount determined by multiplying Tacoma's Slice Percentage by the hourly Actual BOS Generation.

- 2.20 "BOS Deviation Return" means the energy amounts associated with the reduction of Tacoma's BOS Deviation Account balance.
- 2.21 "BOS Flex" means the amount by which the BOS Base can reasonably be reshaped within a given calendar day by utilizing the flexibility available from the Lower Snake Complex.
- 2.22 "BOS Module" means the POCSA module that is used to determine Tacoma's Slice Output Energy and SOE Limits available from the BOS Complex.
- 2.23 "Business Day(s)" means every Monday through Friday, except federal holidays.
- 2.24 "Bypass Spill" shall have the meaning as defined in section 2 of Exhibit L.
- 2.25 "CGS Displacement" shall have the meaning as defined in section 5.8.1.2.
- 2.26 "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.
- 2.27 "CHWM Modeled Augmentation" means a PRDM construct of a flat annual block of power used to establish the simulated Slice capability.
- 2.28 "CHWM System" means the annual Tier 1 Firm System Output, reduced for annual Designated System Obligations plus annual CHWM Modeled Augmentation as determined in each 7(i) Process.
- 2.29 "Columbia Generating Station" or "CGS" shall have the meaning as defined in section 5.8.1.1.
- 2.30 "Committed Power Purchase Amount" means an amount of firm energy, listed in sections 3 and 4 of Exhibit A, that Tacoma has agreed to supply and use to serve its Total Retail Load. Such amount is not attributed to a Specified Resource.
- 2.31 "Consumer-Owned Resource" means a Generating Resource connected to Tacoma'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 Tacoma 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.

- 2.32 "Contracted For, or Committed To" or "CF/CT" shall have the meaning as described in section 20.3.1.1.
- 2.33 "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.
- 2.34 "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.
- 2.35 "Coulee-Chief Complex" means the two hydroelectric projects located in the middle reach of the Columbia River, consisting of Grand Coulee and Chief Joseph.
- 2.36 "Cumulative Prior Load" shall have the meaning as established in section 20.3.5.2.
- 2.37 "Customer Facing Interface" or "CFT" shall have the meaning as defined in section 5.9.1.
- 2.38 "Customer Inputs" means the discharge, elevation, or generation requests at each of the Simulator Projects that Tacoma submits as inputs to the Simulator pursuant to section 3.3 of Exhibit L.
- 2.39 "Cycle" shall have the meaning as defined in section 6 of Exhibit J.
- 2.40 "Cycles per Day" shall have the meaning as defined in section 6 of Exhibit J.
- 2.41 "Dedicated Resource" means a Specified Resource or a Committed Power Purchase Amount listed in Exhibit A that Tacoma is required by statute to provide or obligates itself to provide under this Agreement for use to serve its Total Retail Load.
- 2.42 "Default User Interface" or "DUT" shall have the meaning as defined in section 5.9.1.
- 2.43 "Designated System Obligations" means the set of obligations specified in Table 3-2 of the PRDM, that: (1) are directly assigned to the generation output or capability of the Tier 1 System Resources; or (2) are incurred because of contracts, operational obligations, memorandums of agreement, treaties, statutes, regulations, court orders, or executive orders, individually or in combination, that create a firm obligation for the Tier 1 System

Resources. Designated System Obligations also includes the portion of BPA's ancillary and control area service obligations that are provided from the Tier 1 System Resources.

- 2.44 "Diurnal" means the division of hours within a month between Heavy Load Hours (HLH) and Light Load Hours (LLH).
- 2.45 "Due Date" shall have the meaning as described in section 16.2.
- 2.46 "Effective Date" means the date on which this Agreement has been signed by both Tacoma and BPA.
- 2.47 "Elective Spill" means Spill other than Bypass Spill or Fish Spill that occurs at a hydroelectric project and is within such project's available turbine capacity such that the Spill may otherwise be utilized to produce energy.
- 2.48 "Electronic Tag" or "E-Tag" shall have the meaning as defined in section 1 of Exhibit F.
- 2.49 "Emissions Allowance" shall have the meaning as defined in section 2 of Exhibit H.
- 2.50 "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.
- 2.51 "Environmental Attribute Accounting Process" shall have the meaning as defined in section 2 of Exhibit H.
- 2.52 "Environmental Attributes" shall have the meaning as defined in section 2 of Exhibit H.
- 2.53 "Existing Resource" means a Specified Resource listed in section 2 of Exhibit A that Tacoma was obligated by contract or statute to use to serve Tacoma's Total Retail Load prior to October 1, 2023.
- 2.54 "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.
- 2.55 "Federal Operating Decision" means a decision made by the U.S. Army Corps of Engineers, the Bureau of Reclamation, BPA, or the United States Entity of the Columbia River Treaty, in accordance with the authority of each such entity, and as needed to meet Designated System Obligations not already

reflected in the Simulator or BOS Module, that establishes the permissible range of operations for any project or projects that comprise the FCRPS.

- 2.56 "FERC" means the Federal Energy Regulatory Commission, or its successor.
- 2.57 "Firm Requirements Power" means electric power that BPA sells under this Agreement and makes continuously available to Tacoma to meet BPA's obligations to Tacoma under Section 5(b) of the Northwest Power Act.
- 2.58 "Firm Slice Amount" means a customer's Slice Percentage multiplied by the CHWM System.
- 2.59 "Fiscal Year" or "FY" means the period beginning each October 1 and ending the following September 30.
- 2.60 "Fish Spill" means Spill that occurs at a hydroelectric project in order to maintain compliance with established fish passage criteria, such as those criteria set forth in biological opinions.
- 2.61 "Flat Annual Shape" means a distribution of energy having the same Average Megawatt value of energy in each month of the year.
- 2.62 "Flat Within-Month Shape" means a distribution of energy having the same Average Megawatt value of energy in each Diurnal period of the month.
- 2.63 "Forced Spill" shall have the meaning as defined in section 2 of Exhibit L.
- 2.64 "Forecast Year" means the Fiscal Year ending one full year prior to the commencement of a Rate Period.
- 2.65 "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.
- 2.66 "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 Tacoma or Tacoma's retail consumer is determined by the power produced from such identified electricity-producing unit. Such unit may be owned by Tacoma or Tacoma'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.
- 2.67 "H/k" means, prospectively, a hydroelectric project's water-to-energy conversion factor used to forecast such project's potential energy production per unit of turbine discharge, expressed as MW per kcfs, or retrospectively, for any given period of time, the value equal to a hydroelectric project's average net generation divided by such project's average turbine discharge, expressed as MW per kcfs.

- 2.68 "Hard Operating Constraint" means an Operating Constraint that Slice Customers shall not exceed without express consent from project operators, owners, or other federal agencies responsible for establishing such Operating Constraints.
- 2.69 "Heavy Load Hours" or "HLH" shall have the meaning as defined in section 1 of Exhibit F.
- 2.70 "Hours of Maximum Discharge" shall have the meaning as defined in section 6 of Exhibit J.
- 2.71 "Hydraulic Link Adjustment" means the adjustment to Tacoma's simulated McNary inflow that is equal to the difference between Tacoma's calibrated Simulator discharge for Chief Joseph and the measured Chief Joseph discharge, pursuant to section 3.7 of Exhibit M.
- 2.72 "Incremental Side Flows" shall have the meaning as defined in section 2 of Exhibit L.
- 2.73 "Interchange Points" shall have the meaning as defined in section 1 of Exhibit F.
- 2.74 "Inventory" or "Inventories" shall have the meaning as defined in section 2 of Exhibit H.
- 2.75 "Issue Date" shall have the meaning as described in section 16.1.
- 2.76 "Joint Operating Entity" or "JOE" means an entity that meets the requirements of Section 5(b)(7) of the Northwest Power Act.
- 2.77 "Light Load Hours" or "LLH" shall have the meaning as defined in section 1 of Exhibit F.
- 2.78 "Logic Control Parameters" shall have the meaning as defined in section 2 of Exhibit L.
- 2.79 "Low Voltage Segment" means the facilities of a Third-Party Transmission Provider that are below 34.5kV.
- 2.80 "Lower Columbia Complex" or "LCOL Complex" means the four hydroelectric projects located on the lower reach of the Columbia River, consisting of McNary, John Day, The Dalles, and Bonneville.
- 2.81 "Lower Snake Complex" or "LSN Complex" means the four hydroelectric projects located on the lower reach of the Snake River, consisting of Lower Granite, Little Goose, Lower Monumental, and Ice Harbor.
- 2.82 "Maximum Charge Rate" shall have the meaning as defined in section 6 of Exhibit J.

- 2.83 "Maximum Potential CHWM" shall have the meaning as defined in section 1.2.5 of Exhibit B.
- 2.84 "Maximum Single Hour Discharge" shall have the meaning as defined in section 6 of Exhibit J.
- 2.85 "Monthly Reimbursement Value" means the value determined by dividing the amount Tacoma is billed for a month under the applicable customer charges, as described pursuant to chapter 4 of the PRDM, by the sum of: (1) Tacoma's ASOE for such month and (2) the amount of Tacoma's Surplus Slice Output energy that is curtailed during such month.
- 2.86 "Monthly RSO Test" means a monthly test performed by BPA that measures Slice-To-Load pursuant to section 5.6.5.1 and section 11.1 of Exhibit M.
- 2.87 "Multiyear Hydropower Study" shall have the meaning as defined in section 2 of Exhibit M.
- 2.88 "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.
- 2.89 "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).
- 2.90 "New Resource" means: (1) a Specified Resource listed in section 2 of Exhibit A that Tacoma was or is obligated by contract to use to serve Tacoma's Total Retail Load after September 30, 2023, and (2) any Committed Power Purchase Amounts listed in Exhibit A.
- 2.91 "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).
- 2.92 "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.
- 2.93 "On-Site Consumer Load" means the load of an identified retail consumer of Tacoma that is electrically interconnected at the same Point of Delivery to Tacoma'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.

- 2.94 "Open Access Transmission Tariff" or "OATT" shall have the meaning as defined in section 1 of Exhibit F.
- 2.95 "Operating Constraints" means the operating limits, project operating requirements, and non-power constraints that are the result of implementing Federal Operating Decisions or Prudent Operating Decisions.
- 2.96 "Operating Rule Curves" or "ORC" means the forebay operating limits established for a reservoir pursuant to operating agreements in effect, and as modified to reflect Operating Constraints, that are used to determine such reservoir's upper forebay operating limit (upper ORC) or lower forebay operating limit (lower ORC).
- 2.97 "Peak Load Variance Service" or "PLVS" means a resource-capacity planning-based service for instances when planned load exceeds expected load forecast values.
- 2.98 "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.
- 2.99 "POCSA Deployment Date" shall have the meaning as defined in section 5.9.1.
- 2.100 "POCSA Functionality Test" shall have the meaning as defined in section 5.9.1.
- 2.101 "POCSA Pass Date" shall have the meaning as defined in section 5.9.1.
- 2.102 "Point of Delivery" or "POD" means the point where power is transferred from a transmission provider to Tacoma.
- 2.103 "Point of Metering" or "POM" means the point at which power is measured.
- 2.104 "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.
- 2.105 "Power Services" means the organization, or its successor organization, within BPA that is responsible for the management and sale of BPA-provided electric power.
- 2.106 "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.

- 2.107 "Primary Points of Receipt" shall have the meaning as defined in section 14.1.
- 2.108 "Project Storage Bounds" or "PSB" means the Storage Content amounts associated with the upper ORC and lower ORC in effect at a project.
- 2.109 "Provider of Choice Slice Application" or "POCSA" means BPA's proprietary computer hardware, software and related processes, developed, updated, and maintained by BPA and consisting of: (1) the Simulator; (2) the BOS Module; (3) the Default User Interface; (4) the Customer Facing Interface, and (5) other related processes, including but not limited to communications, scheduling, electronic tagging and accounting for Slice Output Energy, all as described in Exhibit L.
- 2.110 "Prudent Operating Decision" means a decision made by Power Services operations staff, in their exercise of reasonable judgment, that modifies the operating range applied to any project or projects that comprise the FORPS for the purpose of meeting any BPA obligation, including but not limited to Federal Operating Decisions, except actions taken by Power Services solely to sell surplus power to loads BPA is not contractually obligated to serve under Section 5 of the Northwest Power Act. Prudent Operating Decisions are applied for a finite period of time and in a manner that proportionally affects the amount of power from such project or projects that is available to BPA and Slice Customers.
- 2.111 "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.
- 2.112 "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).
- 2.113 "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.
- 2.114 "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.
- 2.115 "Region" means the Pacific Northwest as defined in Section 3(14) of the Northwest Power Act.

- 2.116 "Renewable Energy Certificates" or "Renewable Energy Credits" or "RECs" shall have the meaning as defined in section 2 of Exhibit H.
- 2.117 "Retire" or "Retirement" shall have the meaning as defined in section 2 of Exhibit H.
- 2.118 "Requirements Slice Output" or "RSO" means the portion of Tacoma's Slice Output Energy that is equal to the lesser of: (1) Tacoma's Firm Slice Amount; (2) Tacoma's Net Requirement, less amounts purchased under the Block Product, as specified in Exhibit C; (3) Tacoma's Total Retail Load metered, less Tacoma's Dedicated Resources shown in Exhibit A and less amounts purchased under the Block Product, as specified in Exhibit C; or (4) Tacoma's Total Retail Load metered, less Tacoma's Dedicated Resources in Exhibit A, less any additional generation from a Dedicated Resource that exceeds the amount in Exhibit A that Tacoma uses to serve its Total Retail Load and to fulfill a state or federal legal obligation, and less amounts purchased under the Block Product, as specified in Exhibit C.
- 2.119 "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.
- 2.120 "Round Trip Efficiency" shall have the meaning as defined in section 6 of Exhibit J.
- 2.121 "Scheduling Hour" or "Scheduling Hour XX" shall have the meaning as defined in section 1 of Exhibit F.
- 2.122 "Scheduling Points of Receipt" shall have the meaning as defined in section 14.1.
- 2.123 "Simulated Operating Scenario" means the simulated operation of the Simulator Projects, including the discharge amounts, generation amounts, and forebay elevations, as determined by the Simulator.
- 2.124 "Simulated Output Energy Schedule(s)" means the amount of energy that is calculated by the Simulator as Tacoma's simulated generation amount associated with each Simulator Project.
- 2.125 "Simulator" or "Slice Water Routing Simulator" means the POCSA module used to determine Tacoma's Slice Output and SOE Limits available from the Simulator Projects.
- 2.126 "Simulator Initialization Time" shall have the meaning as defined in section 2 of Exhibit L.
- 2.127 "Simulator Modeling Period" shall have the meaning as defined in section 2 of Exhibit L.

- 2.128 "Simulator Parameters" means the operating parameters applicable to the Simulator Projects and which BPA develops as inputs to the Simulator to reflect Operating Constraints, pursuant to section 3.2 of Exhibit L.
- 2.129 "Simulator Pass Date" shall have the meaning as defined in section 5.9.1.
- 2.130 "Simulator Performance Test" shall have the meaning as defined in section 5.9.1.
- 2.131 "Simulator Project(s)" means any of the hydroelectric projects represented in the Simulator, including those projects that comprise the Coulee-Chief Complex and the Lower Columbia Complex.
- 2.132 "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.
- 2.133 "Slice Customer" means a customer that is purchasing the Slice Product pursuant to the Slice/Block Product CHWM Contract.
- 2.134 "Slice Operating Day" means a current day of actual electric service from the CHWM System to load.
- 2.135 "Slice Operations Forum" or "SOF" means the group that includes representatives from BPA, Tacoma, and all other Slice Customers established pursuant to section 5.12.
- 2.136 "Slice Output" means the quantities of energy, peaking energy, storage, and ramping capabilities available from the Tier 1 System Resources, as adjusted for Tier 1 System Obligations and established pursuant to the POCSA, that Tacoma is entitled to purchase under the Slice Product, as determined by applying Tacoma's Slice Percentage to such quantities.
- 2.137 "Slice Output Energy Request" or "SOER" means the amount of Slice Output Energy Tacoma requests that BPA makes available for any given hour as established pursuant to section 7 of Exhibit L.
- 2.138 "Slice Output Energy" or "SOE" means the energy made available to Tacoma under the Slice Product.
- 2.139 "Slice Percentage" means the percentage used to determine the amount of the Slice Product a customer purchases, pursuant to its CHWM Contract.
- 2.140 "Slice Product" means the power product defined in section 5 of the Slice/Block Product CHWM Contract.
- 2.141 "Slice Purchase Obligation End Date" or "SPOED" shall have the meaning as defined in section 2 of Exhibit M.

- 2.142 "Slice-To-Load" means the sum of SOER delivered to serve actual Total Retail Load and SOER used to return Real Power Losses to Transmission Services used in the Monthly RSO Test and Annual RSO Test.
- 2.143 "Slice Scheduling Day" shall have the meaning as defined in section 1 of Exhibit F.
- 2.144 "Slice True-Up Adjustment Charge" means the amount charged to each Slice Product customer determined in accordance with chapters 2.7 and 2.8 of the PRDM.
- 2.145 "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.
- 2.146 "SOE Limits" means the limits that govern the availability of Slice Output and the scheduling of Slice Output Energy by Tacoma as determined by BPA, and implemented through the POCSA.
- 2.147 "Soft Operating Constraint" means an Operating Constraint, other than a Hard or Absolute Operating Constraint, that is to be achieved on a day-ahead planning basis, but may be exceeded after coordinating with project operators, owners, or other federal agencies responsible for establishing such Operating Constraints.
- 2.148 "Specified Renewable Resource" means a Specified Resource that has been established as renewable in the Northwest Power and Conservation Council's most recent Power Plan or other resources that the Parties agree are renewable, such as biogas, biomass, geothermal, small hydro (nameplate capability less than or equal to ten megawatts), landfill gas, ocean, solar or wind resources.
- 2.149 "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.
- 2.150 "Spill" means water that passes a hydroelectric project without producing energy, including Bypass Spill, Elective Spill, Fish Spill, and Forced Spill.
- 2.151 "Storage" means the ability of the Tier 1 System Resources to alter energy production among hours, days, and months by impounding water or releasing impounded water.
- 2.152 "Storage Capacity" shall have the meaning as defined in section 6 of Exhibit J.

- 2.153 "Storage Content" means the amount of water stored in a project's reservoir, expressed in thousands of second-foot-days (ksfd). The Storage Content is typically calculated based on a conversion of such reservoir's measured forebay elevation, expressed in feet, to ksfd through the use of an established elevation-to-content conversion table.
- 2.154 "Storage Offset Adjustment" or "SOA" shall have the meaning as defined in section 2 of Exhibit M.
- 2.155 "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.
- 2.156 "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.
- 2.157 "Surplus Slice Output" means, for any month, the amount of Slice Output Energy (and associated capacity) that is available to Tacoma under section 5 that exceeds Tacoma's Requirements Slice Output for any such month.
- 2.158 "Third-Party Transmission Provider" means a transmission provider other than BPA that provides transmission service to serve Tacoma's load.
- 2.159 "Tier 1 Allowance Amount" means the aggregate total nameplate capacity of qualifying Specified Resources listed in section 2 of Exhibit A that Tacoma is applying to offset its purchase obligation in accordance with section 3.5.2.
- 2.160 "Tier 1 Block Amounts" means the amount of Firm Requirements Power made available to Tacoma under the Block Product that is sold at Tier 1 Rates.
- 2.161 "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.
- 2.162 "Tier 1 Rate(s)" shall have the meaning as described in chapter 4 of the PRDM.
- 2.163 "Tier 1 System" means the Tier 1 System Resources and Designated System Obligations.
- 2.164 "Tier 1 System Obligations" means the amount of energy and capacity that BPA forecasts for the Designated BPA System Obligations over a specific time period.

- 2.165 "Tier 1 System Resources" means the resources listed in Table 3-1 of the PRDM, as updated for any new resources, including market purchases, that BPA determines are needed to meet its CHWM obligations.
- 2.166 "Tier 2 Block Amounts" means the amount of Firm Requirements Power made available to Tacoma under the Block Product that is sold at Tier 2 Rates.
- 2.167 "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.
- 2.168 "Tier 2 Rate(s)" shall have the meaning as described in chapter 5 of the PRDM.
- 2.169 "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.
- 2.170 "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.
- 2.171 "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.
- 2.172 "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.
- 2.173 "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.
- 2.174 "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.

- 2.175 "Transmission System Delivery Plan" or "Delivery Plan" means the plan for each Dedicated Resource serving Tacoma's load or Consumer-Owned Resource serving On-Site Consumer Load that states the transmission system of the load that resource will serve.
- 2.176 "Uncontrollable Force" shall have the meaning as defined in section 18.
- 2.177 "Vintage Resource" shall have the meaning as defined in section 2.5 of Exhibit C.

3. SLICE/BLOCK POWER PURCHASE OBLIGATION

- 3.1 **Slice/Block Product Purchase Obligation**
From October 1, 2028, and continuing through September 30, 2044, BPA shall sell and make available, and Tacoma shall purchase the Slice/Block Product which includes: (1) a planned amount of Firm Requirements Power under the Block Product listed in sections 1 and 2 of Exhibit C; and (2) Slice Output under the Slice Product pursuant to section 5 and Exhibit K.
- 3.2 **Take or Pay**
Tacoma shall pay for (1) the Firm Requirements Power under the Block Product that Tacoma is obligated to purchase and that BPA makes available under section 3.1(1), and (2) the Slice Output including the Slice Output Energy under the Slice Product that Tacoma is obligated to purchase and that BPA makes available under section 3.1(2). Tacoma shall pay for such power at the rates BPA establishes in a 7(i) Process pursuant to the PRDM, whether or not Tacoma took delivery of such power.
- 3.3 **Application of Dedicated Resources**
Tacoma 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.
- Tacoma 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 to determine Tacoma's Net Requirement for each Fiscal Year. The amounts listed are not intended to govern how Tacoma operates its Specified Resources.
- 3.3.1 **Specified Resources**
- 3.3.1.1 **Application of Specified Resources**
Tacoma shall use the output of all Specified Resources, listed in section 2 of Exhibit A, to serve Tacoma's Total Retail Load.

3.3.1.2 Determining Specified Resource Amounts

For each Specified Resource listed in section 2 of Exhibit A, BPA, in consultation with Tacoma, 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. BPA shall determine such amounts consistent with the 5(h)/9(c) Policy.

3.3.2 Committed Power Purchase Amounts

3.3.2.1 Application of Committed Power Purchase Amounts

To serve Tacoma's Above-CHWM Load that it commits to meet with Dedicated Resources in Exhibit C, Tacoma shall provide and use Committed Power Purchase Amounts to meet any amount of such load not met with its Specified Resources listed in section 2 of Exhibit A.

3.3.2.2 Determining Committed Power Purchase Amounts

By March 31 concurrent with BPA's calculation of Tacoma's Net Requirement forecast, as provided in section 1 of Exhibit A, BPA shall calculate and fill in the tables in section 3.1 of Exhibit A with Tacoma's Committed Power Purchase Amounts for the remaining year(s) of the Rate Period. Upon termination or expiration of this Agreement any Committed Power Purchase Amounts listed in Exhibit A shall expire, and Tacoma shall have no further obligation to apply Committed Power Purchase Amounts.

3.4 This section intentionally left blank.

3.5 Changes to Dedicated Resources

3.5.1 Specified Resource Additions to Meet Above-CHWM Load

3.5.1.1 Except as provided in section 3.5.1.2 below, Tacoma may elect with written notice to BPA by July 31 of a Rate Case Year to add Specified Resources to section 2 of Exhibit A, with amounts effective at the start of the upcoming Rate Period, to meet any obligations Tacoma may have in Exhibit C to serve its Above-CHWM Load with Dedicated Resources.

3.5.1.2 If Tacoma submits a Total Retail Load forecast eligible for an updated Net Requirement calculation consistent with section 17.6.2, then with such written notice to BPA Tacoma may also elect to add Specified Resources to section 2 of Exhibit A, with amounts effective at the start of the applicable

Fiscal Year, to meet any obligations Tacoma may have in Exhibit C to serve its Above-CHWM Load with Dedicated Resources.

3.5.1.3 BPA shall determine amounts for any Specified Resources added under sections 3.5.1.1 and 3.5.1.2 above in accordance with section 3.3.1.2. BPA shall revise Exhibit A accordingly by March 31 following Tacoma'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, Tacoma 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. Tacoma'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

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

3.5.2.2 Qualifying Specified Resources For Tier 1 Allowance Amount

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

3.5.3 Resource Additions for a BPA Insufficiency Notice

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

BPA shall revise Tacoma's Dedicated Resource amounts listed in the tables of Exhibit A: (1) consistent with Tacoma's resource removal elections made in accordance with section 10, and (2) by March 31 following such elections.

3.5.6 Permanent Discontinuance of Resources

Tacoma 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 Tacoma's Specified Resource has met BPA's standards for a permanent removal, then BPA shall revise Exhibit A accordingly. If Tacoma does not replace such resource with another Dedicated Resource, then Tacoma'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 Tacoma acquires an Annexed Load after the Effective Date, Tacoma shall add Dedicated Resources to Exhibit A to serve amounts of such load for which Tacoma did not receive a CHWM addition pursuant to section 1.2.2 of Exhibit B. Tacoma shall serve such load with Dedicated Resources for the remainder of the Rate Period during which Tacoma acquires such load. For all Rate Periods after the Rate Period when Tacoma acquires an Annexed Load, Tacoma shall serve such load pursuant to Tacoma'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, Tacoma may add Dedicated Resources to section 4 of Exhibit A. Tacoma may discontinue serving its NLSL with the Dedicated Resources listed in section 4 of Exhibit A if BPA determines that Tacoma's NLSL is no longer: (1) an NLSL, or (2) in Tacoma's service territory.

3.5.8.2 If Tacoma elects to serve a Planned NLSL or an NLSL with Dedicated Resources, then Tacoma shall specify in section 4 of Exhibit A the maximum monthly and Diurnal Dedicated Resource amounts that Tacoma plans to use to serve the NLSL. Tacoma 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. Tacoma shall serve 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, Tacoma shall have no right or obligation to use such amounts to serve load other than a Planned NLSL or an NLSL.

3.5.9 PURPA Resources

If Tacoma 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.

3.6 Consumer-Owned Resources

Except for any Consumer-Owned Resources serving a Planned NLSL or an NLSL, which Tacoma has applied to load consistent with section 20.3, Tacoma shall apply the output of Consumer-Owned Resources as follows:

3.6.1 Existing Consumer-Owned Resources

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

Tacoma 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. Tacoma 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 Tacoma'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. Commensurate with Tacoma's designation under section 3.6.2 above, Tacoma 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 an annual average 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.

Tacoma 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. Concurrent with such notice, Tacoma shall re-designate, consistent with section 3.6.2 above, any amount of the Consumer-Owned Resource that is expected to exceed the On-Site Consumer Load. Such re-designation shall apply for the remaining term of this Agreement.

3.6.4 Application of Consumer-Owned Resources Serving Load Other than On-Site Consumer Load

Tacoma 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 Tacoma 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 Tacoma designates a Consumer-Owned Resource to serve both On-Site Consumer Load and load other than On-Site Consumer Load, then Tacoma shall specify, in section 7.3 of Exhibit A, the annual average amount of such identified Consumer-Owned Resource that will serve an identified On-Site Consumer Load for each year of the remaining term of this Agreement. Commensurate with such designation, Tacoma shall provide BPA information demonstrating that such Consumer-Owned Resource amounts will not exceed the On-Site Consumer Load on an annual average basis. Such Consumer-Owned Resource amounts are not subject to change in accordance with section 3.6.6.

Tacoma 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. Concurrent with such notice, Tacoma shall re-designate, consistent with section 3.6.2 above, any amount of the Consumer-Owned Resource that is expected to exceed the On-Site Consumer Load. Such re-designation shall apply for the remaining term of this Agreement.

Tacoma shall apply any power generated from the identified Consumer-Owned Resource in excess of the specified maximum annual average amounts 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 Tacoma 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 Tacoma 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 Tacoma 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 Tacoma's application of Consumer-

Owned Resources serving Planned NLSLs and NLSL are included in section 20.3 and section 1 of Exhibit D.

3.7 Transfer of Renewable Energy Certificates

BPA shall provide any applicable Renewable Energy Certificates (RECs), emission accounting information, and non-emitting generation accounting information to Tacoma in accordance with Exhibit H.

4. BLOCK PRODUCT

4.1 Block Product General Description

The Block Product provides a planned amount of Firm Requirements Power to serve a portion of Tacoma's Annual Net Requirement. The Block Product includes a Tier 1 Block Amount and if applicable, a Tier 2 Block Amount.

4.2 Block Amount Shapes

4.2.1 Tier 1 Block Amount Shapes

Tacoma shall elect one of the following shapes for its Tier 1 Block Amount concurrent with its execution of this Agreement: (1) a Flat Annual Shape or (2) a Flat Within-Month Shape. BPA shall state the shape elected by Tacoma in section 1.2 of Exhibit C. The Tier 1 Block Amount shape selected by Tacoma shall remain fixed for the term of this Agreement unless Tacoma exercises its right to change its purchase obligation pursuant to section 11.

4.2.2 Tier 2 Block Amount Shape

BPA shall provide any Tier 2 Block Amount to Tacoma in a Flat Annual Shape.

4.3 Annual and Monthly Tier 1 Block Amounts

By March 31, 2028 and by March 31 of each Rate Case Year thereafter, and by March 31 in a Forecast Year that Tacoma submits an updated Total Retail Load forecast pursuant to section 17.6.2, and concurrent with BPA's calculation of Tacoma's Net Requirement pursuant to section 1 of Exhibit A, BPA shall calculate Tacoma's annual Tier 1 Block Amount for the applicable Fiscal Year by subtracting Tacoma's Firm Slice Amount in section 3 of Exhibit K for such Fiscal Year from the lesser of (1) Tacoma's Annual Net Requirement in section 1.2 of Exhibit A or (2) its CHWM for that Fiscal Year. BPA shall revise section 1.1 of Exhibit C to state the annual Tier 1 Block Amount sold to and purchased by Tacoma.

By March 31, 2028 and by March 31 of each Rate Case Year thereafter, and by March 31 in a Forecast Year that Tacoma submits an updated Total Retail Load forecast pursuant to section 17.6.2, BPA shall calculate Tacoma's Monthly Shaping Factors applicable to the Block Product pursuant to section 1.2.1 of Exhibit C. BPA shall revise section 1.2.1.3 of Exhibit C to state the Monthly Shaping Factors for the applicable Fiscal Years.

By March 31, 2028 and by March 31 of each Rate Case Year thereafter, and by March 31 in a Forecast Year that Tacoma submits an updated Total Retail Load forecast pursuant to section 17.6.2, and concurrent with BPA's calculation of Tacoma's Net Requirement pursuant to section 1 of Exhibit A, BPA shall calculate Tacoma's Tier 1 Block Amount for each month of the applicable Fiscal Year by multiplying the annual Tier 1 Block Amount, calculated pursuant to the paragraph above, by the Monthly Shaping Factors specified in section 1.2 of Exhibit C. BPA shall revise section 1.3 of Exhibit C to state the monthly Tier 1 Block Amount sold to and purchased by Tacoma.

4.4 Annual Tier 2 Block Amounts

By March 31, 2028 and each March 31 of a Rate Case Year thereafter, and concurrent with BPA's calculation of Tacoma's Net Requirement pursuant to section 1 of Exhibit A, BPA shall calculate Tacoma's annual Tier 2 Block Amount for the applicable Fiscal Year pursuant to section 2 of Exhibit C. BPA shall revise section 2 of Exhibit C to state the annual Tier 2 Block Amount, if any, sold to and purchased by Tacoma.

5. SLICE PRODUCT

5.1 Slice Product General Description

5.1.1 The Slice Product is a system sale that includes Firm Requirements Power and surplus power. The Slice Product is indexed to the variable output capability of the Tier 1 System Resources to the extent such capability is available to Power Services after Designated System Obligations and Operating Constraints are met. Tacoma accesses the capabilities of the Tier 1 System through the Provider of Choice Slice Application (POCSA) as described in Exhibit L. BPA shall configure the POCSA to reasonably represent and calculate the capabilities available on a day-ahead timeframe to Power Services from the Tier 1 System Resources after Designated System Obligations and Operating Constraints are met, including energy production, peaking, storage, and ramping capability. The POCSA applies Tacoma's Slice Percentage to the Tier 1 System capabilities to determine Tacoma's Slice Output.

Tacoma shall use the POCSA to submit a Slice Output Energy Request (SOER) to BPA for each Scheduling Hour submitted on a day-ahead timeframe pursuant to sections 3 and 4 of Exhibit F. BPA shall supply power for any variation in the Tier 1 System Resource generation capabilities between the day-ahead and real-time timeframes to ensure Slice Output is available to serve Tacoma's SOER.

5.1.2 The Slice Product sold by BPA and purchased by Tacoma is a power sale, and is not under any circumstances to be construed as a sale of the Tier 1 System Resources, Tier 1 System Resource capability, or a transfer of control of Tier 1 System Resources. Notwithstanding any

provision of this Agreement to the contrary, BPA and the federal operating agencies shall retain operational control of all resources comprising the FCRPS, including without limitation all such resources that comprise the Tier 1 System Resources.

5.1.3 BPA does not guarantee that the amount of Slice Output Energy made available under the Slice Product, combined with Firm Requirements Power made available under the Block Product, will be sufficient to meet Tacoma's Total Retail Load, on an hourly, daily, weekly, monthly, or annual basis. Tacoma is obligated to supply electric power to serve the difference between its Total Retail Load and electric power from its purchase of Slice Output and the Block Product.

5.1.4 Changes in the output of the Tier 1 System Resources that occur after the calculation of Tacoma's Firm Slice Amount pursuant to section 5.4 and prior to the Customer Inputs submission deadline pursuant to section 4 of Exhibit F shall affect the amount of Slice Output made available to Tacoma under this Agreement. Accordingly, Tacoma understands and agrees it is exposed to Tier 1 System Resources performance risk and water supply risk up to Customer Inputs submission deadline pursuant to section 4 of Exhibit F.

5.1.5 The Slice Product does not provide Tacoma any rights to utilize Tier 1 System Resources for within-hour or within-day energy or capacity services, including but not limited to dynamic scheduling, self-supply of operating reserves, and self-supply of energy imbalance.

5.2 **Determination of Amounts of Slice Output Made Available**
Slice Output made available to Tacoma shall be adjusted by Operating Constraints in effect on the Tier 1 System Resources. Such Operating Constraints shall be applied proportionately to the Tier 1 System Resources output available to Power Services, Tacoma, and all other Slice Customers.

The amount of Slice Output Energy made available to Tacoma is based on a simulation of stream flows routed through the Simulator Projects, plus the BOS Base, using the POCSA, and as adjusted for Operating Constraints. Tacoma understands and agrees that the amount of Slice Output Energy made available to Tacoma may not precisely equal the result of its Slice Percentage multiplied by the Actual Tier 1 System Generation.

5.3 **Annual Calculation of Slice Percentage**
By March 31, 2028 and each March 31 of a Rate Case Year thereafter, and by March 31 in a Forecast Year that Tacoma submits a Total Retail Load forecast update pursuant to section 17.6.2, and concurrent with BPA's calculation of Tacoma's Net Requirement pursuant to section 1 of Exhibit A, BPA shall calculate Tacoma's Slice Percentage by:

- (1) multiplying 50 percent by the lesser of:

- (A) Tacoma's Provider of Choice FY 2026 CHWM, including an increase for Tacoma's Annexed Load from a CHWM Contract customer, and a decrease for Tacoma's load annexed by another customer or a third party; or

- (B) Tacoma's Preliminary Net Requirement, and

- (2) Dividing by the annual CHWM System in section 2 of Exhibit K, and

- (3) Multiplying by 100.

The value as expressed as a percentage will be rounded to the fifth decimal and as a number rounded to the seventh decimal. Expressed as a formula, the Slice Percentage in each year of the Rate Period is calculated as follows:

$$\text{Slice \%} = \left(\frac{50\% \times (\min(\text{FY2026 CHWM, Preliminary Net Requirement}))}{\text{annual CHWM System}} \right) \times 100$$

By March 31, 2028 and each March 31 of a Rate Case Year thereafter, and by March 31 in a Forecast Year that Tacoma submits a Total Retail Load forecast revision pursuant to section 17.6.2, and concurrent with BPA's calculation of Tacoma's Net Requirement pursuant to section 1 of Exhibit A, BPA shall revise and state Tacoma's Slice Percentage in section 1 of Exhibit K.

After BPA calculates Tacoma's Slice Percentage for the Fiscal Year pursuant to section 5.3. of this Agreement, BPA shall not make mid-Fiscal Year adjustments to Tacoma's Slice Percentage. BPA shall adjust Tacoma's Block Amount when a mid-Fiscal Year adjustment is required.

5.4 Firm Slice Amount

5.4.1 By March 31, 2028 and each March 31 of a Rate Case Year thereafter, and by March 31 in a Forecast Year that Tacoma submits a Total Retail Load forecast revision pursuant to section 17.6.2, and concurrent with BPA's calculation of Tacoma's Net Requirement pursuant to section 1 of Exhibit A, BPA shall calculate Tacoma's Firm Slice Amount for each month of the applicable Fiscal Year(s) in monthly Average Megawatts by (1) multiplying the monthly Average Megawatts of the CHWM System listed in the table in section 1 of Exhibit K for the applicable month in each Fiscal Year by Tacoma's Slice Percentage applicable to each such Fiscal Year stated in section 2 of Exhibit K, and (2) rounding the results to three decimal places. BPA shall calculate Tacoma's Firm Slice Amount for each month of the applicable Fiscal Year(s) in megawatt-hours by (1) multiplying the Firm Slice Amount in Average Megawatts for each month of the applicable Fiscal Year(s) by the number of hours in the

month, and (2) rounding the result to the nearest whole megawatt. BPA shall revise and state Tacoma's Firm Slice Amount in Average Megawatts and megawatt-hours for each month of the applicable Fiscal Year(s) in section 3 of Exhibit K.

- 5.4.2 Tacoma shall purchase and receive a share of CHWM Modeled Augmentation in an amount equal to Tacoma's Slice Percentage in section 1 of Exhibit K multiplied by the CHWM Modeled Augmentation for each Fiscal Year as established in the applicable 7(i) Process. Such amounts are included in the calculation of Firm Slice Amount in section 5.4.1 above.

The BOS Base amount in the POCSA as determined pursuant to section 4.1.1 of Exhibit L shall include the amounts of CHWM Modeled Augmentation listed in section 4 of Exhibit K. BPA shall make CHWM Modeled Augmentation available to Tacoma in a Flat Annual Shape for the applicable Fiscal Year.

5.5 Disposition of Surplus Slice Output

- 5.5.1 All sales, exchanges, or other dispositions of BPA-provided electric power are subject to and governed by federal law including, but not limited to, the Bonneville Project Act, 16 U.S.C. § 832 *et seq.*, P.L. 75-329 as amended, the Pacific Northwest Consumer Power Preference Act, 16 U.S.C. § 837 *et seq.*, P.L. 88-552, the Federal Columbia River Transmission System Act, 16 U.S.C. § 838 *et seq.*, P.L. 93-454, and the Northwest Power Act, as amended.
- 5.5.2 All sales of Surplus Slice Output by Tacoma for use outside the Region, or to parties not serving firm retail load in the Region, are subject to the provisions of the Pacific Northwest Consumer Power Preference Act and Section 9(c) of the Northwest Power Act, and BPA and Tacoma acknowledge their respective responsibilities thereunder.
- 5.5.3 The following uses of Surplus Slice Output shall not constitute a sale of Surplus Slice Output outside the Region:
- (1) Leaving the Surplus Slice Output in Storage or placing it in Tacoma's Storage;
 - (2) Exchanging Surplus Slice Output with another utility customer in the Region, or a statutorily enumerated type of exchange with a utility outside the Region;
 - (3) Using Surplus Slice Output to displace Tacoma's non-federal resources identified in Exhibit A, or Tacoma's market purchases that would have been made for serving its Total Retail Load; and

- (4) A sale of Surplus Slice Output to a BPA utility customer for service to that utility's Total Retail Load in the Region, consistent with Sections 3(14) and 9(c) of the Northwest Power Act.

BPA may request Tacoma provide evidence that Surplus Slice Output was used consistent with Section 9(c) of the Northwest Power Act. Tacoma may demonstrate such uses of Surplus Slice Output by means of a storage account, executed contracts for binding sales or exchanges, or another form of offer and acceptance.

- 5.5.4 Pursuant to the Pacific Northwest Consumer Power Preference Act and Section 9(c) of the Northwest Power Act, BPA shall have the right to curtail all or a portion of Tacoma's: (1) Surplus Slice Output capacity upon 60 months' written notice to Tacoma, and (2) Surplus Slice Output energy upon 60 calendar days written notice to Tacoma. Any such notice shall specify the amounts and duration of the curtailment, and whether such capacity or energy is needed to meet BPA's capacity and energy requirements in the Region. Prior to issuing any such curtailment notice, BPA and Tacoma shall consult in order to determine the quantity, if any, of Surplus Slice Output energy and capacity that may be subject to such curtailment. Such curtailments shall be limited to Tacoma's proportional share of the amount needed, and for the duration necessary, to cover BPA's projection of its needs within the Region. Such curtailments are subject to sections 5.5.5 and 5.5.6.

- 5.5.5 If BPA issues a notice of curtailment pursuant to section 5.5.4, then it shall concurrently issue notices of curtailment, recall, or termination to all other extra regional and non-preference purchasers to whom BPA has sold Surplus Firm Power, or surplus capacity, for durations longer than specified in the notice, provided that such sales agreements contain provisions that allow for recall, curtailment or termination.

- 5.5.6 Following each month that Surplus Slice Output is curtailed pursuant to section 5.6.5 above, Power Services shall include a line item credit on Tacoma's monthly customer bill issued equal to the amount of Surplus Slice Output energy curtailed during the preceding month, multiplied by the Monthly Reimbursement Value for the month during which the curtailment was in effect.

5.6 Disposition of Requirements Slice Output and Requirements Slice Output Test

- 5.6.1 **Disposition of Requirements Slice Output**
Requirements Slice Output (RSO) purchased by Tacoma under this Agreement and made available by BPA shall be used solely for the purpose of serving Tacoma's Total Retail Load. Tacoma shall

maintain monthly documentation demonstrating that RSO was used to serve its Total Retail Load. Acceptable methods of documentation may include, but are not limited to, schedules and E-Tags. Tacoma shall make such documentation available to BPA upon request.

5.6.2 Monthly Data Submittals

5.6.2.1 Monthly Actual Total Retail Load Data

Tacoma shall submit its actual Total Retail Load for the preceding calendar month, expressed in megawatt-hours, to BPA on or before the 10th Business Day of each month.

5.6.2.2 Monthly Generation Data

If generation in excess of Tacoma's Dedicated Resources in Exhibit A is used to establish Tacoma's Requirements Slice Output for a month, then Tacoma shall submit its actual metered generation data, expressed in megawatt-hours, from such Dedicated Resources to BPA on or before the 10th Business Day of each month.

5.6.3 Failed RSO Rates

Failed RSO Rates shall apply when Tacoma fails to pass any RSO test. Such rates shall be priced at market value and include a minimum of a 25 percent market adder for energy, as established in the applicable Power Rate Schedules and GRSPs.

5.6.4 Day-Ahead Market

If Tacoma's service territory is located in a Balancing Authority Area that joins a day-ahead market in advance of BPA's participation in that day-ahead market or the Balancing Authority joins a different day-ahead market than BPA, then BPA and Tacoma shall revise the RSO test in section 11 of Exhibit M for day-ahead market implementation.

5.6.5 Requirements Slice Output Test

5.6.5.1 Monthly RSO Test

BPA shall perform a Monthly RSO Test pursuant to section 11.1 of Exhibit M. BPA shall charge Tacoma a Monthly RSO Test failure charge pursuant to section 11.1 of Exhibit M if Tacoma does not pass the Monthly RSO Test.

5.6.5.2 Annual RSO Test

BPA shall perform an Annual RSO Test pursuant to section 11.2 of Exhibit M. BPA shall charge Tacoma an Annual RSO Test failure charge pursuant to section 11.2 of Exhibit M if Tacoma does not pass the Annual RSO Test. The Annual RSO Test failure charge for a Fiscal Year shall be reduced by

any applicable Monthly RSO Test charge(s) assessed in the Fiscal Year.

5.7 Northwest Power Act Section 6(m) Resource Acquisitions

Tacoma retains all rights to participate in any BPA major resource acquisitions pursuant to Section 6(m) of the Northwest Power Act.

5.8 Displacement of Columbia Generating Station (CGS)

5.8.1 Definitions

5.8.1.1 "Columbia Generating Station" or "CGS" means the nuclear powered generating facility located near Richland, Washington, and operated by Energy Northwest, or its successor.

5.8.1.2 "CGS Displacement" means a decision by Power Services to shut-down all or a portion of the power production at CGS due to market conditions.

5.8.2 Tacoma shall participate in CGS Displacement. CGS Displacement will reduce Tacoma's Slice Output.

5.9 POCSA Functionality and Simulator Performance Tests

This section sets out the POCSA Functionality and Simulator Performance Tests. BPA shall promptly notify Tacoma of the results of the POCSA Functionality and Simulator Performance Tests.

5.9.1 Definitions

5.9.1.1 "Customer Facing Interface" or "CFI" means the set of Windows Communication Foundation (WCF) Services that gives a Slice Customer a mechanism for interacting with the SWRS through the customer's own custom user interface. The CFI allows a Slice Customer to submit Customer Inputs, run the SWRS, and review the results.

5.9.1.2 "Default User Interface" or "DUI" means the basic user interface that is developed by BPA and made available to Tacoma for access to the POCSA.

5.9.1.3 "POCSA Deployment Date" means the latest of:
(1) October 1, 2028, (2) 90 days after the POCSA Pass Date, or (3) 90 days after the Simulator Pass Date.

5.9.1.4 "POCSA Functionality Test" means the test set forth in section 5.11.2 that is conducted to determine whether the POCSA is complete, functional, and ready for daily operations.

- 5.9.1.5 "POCSA Pass Date" means the date on which the POCSA passes the POCSA Functionality Test.
- 5.9.1.6 "Simulator Pass Date" means the date on which the Simulator passes the Simulator Performance Test.
- 5.9.1.7 "Simulator Performance Test" means the test conducted by BPA and consisting of four separate tests: a Storage Content test, an energy test, a peaking test, and a ramp down test, each as separately described in section 3.5.3 of Exhibit L.

5.9.2 POCSA Functionality Test

- 5.9.2.1 BPA shall conduct the initial POCSA Functionality Test no later than March 15, 2028.
- 5.9.2.2 BPA, in consultation with Tacoma and other members of the Slice Operations Forum (SOF), shall, by March 15, 2028, establish a detailed written description of the validation procedures that will comprise the POCSA Functionality Test. Such validation procedures shall include a comprehensive series of objective tests that establish if the POCSA, including the Simulator, CFI, DUI and BOS module, are wholly functional and ready for daily operations.

5.9.3 POCSA Deployment Date

- 5.9.3.1 If the POCSA Deployment Date is established as October 1, 2028, then BPA and Tacoma shall commence implementation of the POCSA beginning on October 1, 2028.
- 5.9.3.2 If the POCSA Deployment Date is established later than October 1, 2028, then:
- (1) Beginning on October 1, 2028, and continuing until the POCSA Deployment Date, BPA and Tacoma shall continue to use the version of the POCSA implemented under the Regional Dialogue CHWM Contract that expired on September 30, 2028.
 - (2) The SOF shall develop procedures no later than October 1, 2028 that BPA and Slice Customers shall follow to ensure all POCSA actions are completed in accordance with this Agreement.

5.9.4 Simulator Performance Test

- 5.9.4.1 No later than June 30, 2027, BPA shall provide Tacoma access to the Simulator that will be used by BPA to conduct

the Simulator Performance Test. The Simulator Performance Test shall be conducted by BPA no later than October 31, 2027.

- 5.9.4.2 If, as of September 30, 2027, the Simulator has failed one or more of the four tests that comprise the Simulator Performance Test, then Tacoma may elect to change its purchase obligation pursuant to section 11.2.

5.10 POCSA Access and Use Agreement

Tacoma and BPA shall execute a POCSA access and use agreement prior to or coincident with execution of this Agreement.

Tacoma may designate third parties to access and use the POCSA on its behalf. BPA retains sole discretion for the approval of third parties' access and use of the POCSA. BPA reserves the right to restrict POCSA access and use by third parties that are significant and active participants in Western Electricity Coordinating Council (WECC) footprint wholesale power or transmission markets and that are not Slice Customers.

If BPA determines that Tacoma is in breach of the POCSA access and use agreement then: (1) BPA shall restrict Tacoma's access to the POCSA, and (2) BPA shall use the POCSA to determine and provide Tacoma's hourly SOERs pursuant to section 5.2 of Exhibit L, and (3) Tacoma shall submit E-Tags pursuant to section 5.2 of Exhibit L.

5.11 POCSA Development Schedule

BPA shall provide Tacoma with a POCSA development schedule at the time this Agreement is offered for execution. Tacoma and BPA understand and agree that: (1) the timelines specified in the POCSA development schedule are not binding and are for preliminary planning purposes only, and (2) the timelines set forth in this section 5 are binding. BPA and Tacoma shall discuss, with other members of the SOF, the requirements and status of the various tasks identified in the POCSA development schedule.

5.12 Slice Operations Forum

- 5.12.1 The Parties anticipate that issues will arise regarding the Slice Product or the POCSA, and that a forum is needed for discussing alternatives and taking actions that may affect BPA and the Slice Customers. The Slice Operations Forum (SOF) shall: (1) consider, recommend, and document modifications to the POCSA necessary to maintain its reasonable representation of the Tier 1 System Resources energy, peaking, storage, and ramping capability; (2) consider, recommend, and document modifications to the POCSA necessary for Tacoma and other Slice Customers to schedule Slice Output Energy under this Agreement; and (3) establish a forum for discussion of the Slice Product.

5.12.2 Slice Customers shall propose a draft SOF charter for BPA review and recommendations no later than February 28, 2026. The SOF Charter shall include the following items:

- (1) A process for SOF charter adoption and revisions by an affirmative vote of the Slice customers.
- (2) Rules for convening SOF meetings, establishing a quorum, and rules of order.
- (3) A process to propose POCSA changes to BPA by an affirmative vote of the Slice Customers.
- (4) A process for BPA to add items to a SOF meeting agenda for discussion.

The SOF charter may identify additional areas of interest pertaining to the Slice Product for discussion by the SOF.

BPA shall review the draft SOF Charter, and provide comments and recommendations to the SOF, no later than March 23, 2026. Slice Customers shall provide the final SOF charter to BPA for its approval no later than April 30, 2026.

If the Slice Customers do not adopt a SOF charter, then BPA will identify changes to the POCSA in a meeting with the Slice Customers.

5.12.3 BPA shall have the right in its sole discretion to implement the changes described below only to the extent it determines such implementation is consistent with the Slice product as described in section 5.1, and only after: (1) such implementation and related testing is reviewed and discussed by the SOF; and (2) such changes have been subjected to testing as determined by BPA to be relevant and sufficient to demonstrate that each change functions as intended and does not cause any other portion of the POCSA to malfunction. Such implementation by BPA shall not be subject to approval by the SOF.

- (1) BPA may change the POCSA as necessary to produce results that reasonably represent the energy production, peaking, storage, or ramping capability of the Tier 1 System Resources.
- (2) BPA may change the POCSA as necessary to maintain functionality with BPA's internal business processes and systems.
- (3) BPA may determine how Operating Constraints are translated into Simulator Parameters for application within the POCSA.

5.12.4 The SOF shall request a BPA review of proposed POCSA changes by an affirmative vote taken in accordance with the SOF charter. BPA shall review the SOF's proposed POCSA changes within 45 calendar days of the SOF affirmative vote. BPA may extend the review period at its sole discretion by written notice to the SOF. BPA shall provide a written determination to the SOF that describes its decision to support or not support the proposed POCSA changes.

If BPA supports the proposed POCSA changes, then BPA will commence planning for the implementation of such changes. BPA shall provide the SOF with a proposed plan and proposed timeline for the implementation of the POCSA changes. During the planning and implementation of such proposed changes BPA may identify constraints and technical challenges that preclude BPA from implementing the proposed changes. BPA shall promptly identify any such implementation constraints or technical challenges to the SOF in writing.

If BPA does not support the proposed POCSA changes, then BPA will not implement the proposed POCSA changes.

5.13 Creditworthiness

Tacoma shall execute a creditworthiness agreement with BPA prior to or coincident with execution of this Agreement.

5.14 Slice True-Up Adjustment Charge

5.14.1 BPA shall calculate a Slice True-Up Adjustment Charge annually pursuant to chapter 2.8.5 of the PRDM.

5.14.2 BPA shall compute interest applicable to the Slice True-Up Adjustment Charge using simple interest computed daily. The daily interest rate shall be the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue of the Fiscal Year in which the Slice True-Up Adjustment Charge is calculated), divided by 365. The daily interest rate shall be fixed on the first day of the Fiscal Year in which the applicable Slice True-Up Adjustment Charge is calculated for the time periods specified under section 5.14.3.

5.14.3 Interest determined pursuant to section 5.14.2 shall be computed and added to the Slice True-Up Adjustment Charge for Tacoma for the time periods defined as follows:

- (1) If the Slice True-Up Adjustment Charge is a credit to Tacoma, then the period for interest computation will begin with the first day of the Fiscal Year in which the Slice True-Up Adjustment Charge is calculated and will end on the due date of the bill that contains such credit.

- (2) If the Slice True-Up Adjustment Charge is a charge payable to BPA, then the period for interest computation will begin with the first day of the Fiscal Year in which the Slice True-Up Adjustment Charge is calculated, and will end, with regard to the portion to be paid, on the due date for each of the three monthly bills in which the Slice True-Up Adjustment Charge appears. If Tacoma elects to pay the charge in one month, then Tacoma shall notify BPA in writing and the period for interest computation will begin with the first day of the Fiscal Year in which the Slice True-Up Adjustment Charge is calculated and will end on the due date for the next monthly bill issued following the day such Slice True-Up Adjustment Charge is calculated.
- (3) If a credit or charge contained in a Slice True-Up Adjustment Charge is subject to dispute resolution pursuant to Attachment A of the PRDM or has been reserved for final disposition in the next 7(i) Process, all pursuant to the PRDM, and if there is an adjustment to such credit or charge as a result thereof, then the period for the interest calculation shall begin on the first day of the Fiscal Year in which the disputed Slice True-Up Adjustment Charge was calculated and will end as specified in sections 5.14.3(1) or 5.14.3(2) above depending upon whether the adjustment is a credit or a charge.

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

- (1) Tier 1 Rates shall apply to Tacoma's purchases of Tier 1 Block Amounts, as specified in section 1 of Exhibit C, Firm Slice Amounts, and associated Slice Output.

- (2) Tier 2 Rates shall apply to Tacoma's purchases of Tier 2 Block Amounts, if any, in accordance with the terms of section 2 of Exhibit C.

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, Tacoma 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 Tacoma's Above-CHWM Load in the Above-CHWM Load Process ahead of each Rate Period.

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

10. TIER 2 REMARKETING AND RESOURCE REMOVAL

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

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

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

Tacoma 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, Tacoma 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 Tacoma 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 Tacoma 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.

10.5 New Resource Removal and Remarketing of Tier 2 Rate Purchase Obligation Amounts with an Updated Net Requirement Forecast

For purposes of this section 10, if BPA calculates an updated Net Requirement forecast for Tacoma as provided in section 17.6.2, then BPA shall establish a substitute amount that shall apply instead of Tacoma's Above-CHWM Load for the remaining year(s) of the applicable Rate Period. Such substitute amount (negative values set to zero) shall equal: (A) Tacoma's updated Total Retail Load forecast, submitted consistent with section 17.6.2, minus (B) Tacoma's Existing Resources, NLSLs, Specified Resources added to Tier 1 Allowance Amount, Consumer-Owned Resources serving On-Site Consumer Load, and Tacoma's CHWM. Tacoma shall notify

BPA of any elections under section 10.1 above by February 28 ahead of power delivery for the applicable Fiscal Year.

11. RIGHT TO CHANGE PURCHASE OBLIGATION

11.1 One-Time Right to Change Purchase Obligation

Under this Agreement Tacoma 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 Load Following, 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, or Flat Monthly Block with Peak Net Requirement (PNR) Shaping Capacity with Peak Load Variance Service (PLVS).

Unless otherwise agreed by the Parties, any Tacoma 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 Tacoma'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, Tacoma 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. Tacoma's notice shall state: (1) the purchase obligation request, and (2) the Rate Period Tacoma requests the change to be effective. The latest date that Tacoma 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. Any Tacoma request for the Load Following purchase obligation under this section 11.2.1 shall be subject to the limitations in section 11.3.1 below.

11.2.2 Joining a JOE For Service Effective October 1, 2028

If Tacoma requests to join a JOE for service under the JOE's CHWM Contract effective October 1, 2028, then Tacoma'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 Tacoma's and the JOE's purchase obligations. Receiving service under the JOE CHWM

Contract will not constitute a change to Tacoma'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 Tacoma have the same purchase obligation when Tacoma requests to join the JOE, then Tacoma'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 Tacoma have different purchase obligations, including different Block purchase obligations, when Tacoma requests to join the JOE, then Tacoma'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

11.3.1 Limitations on Changing Purchase Obligation to Load Following

If Tacoma requests the Load Following purchase obligation pursuant to section 11.1 above, then within one year following the request or unless otherwise agreed to by the Parties, BPA shall notify Tacoma whether it will agree to the request to change to the Load Following purchase obligation. Prior to such notification, BPA will work with Tacoma to identify issues, barriers in product design, and operational concerns associated with Tacoma taking the Load Following purchase obligation and simultaneously operating a Balancing Authority Area. The Parties shall negotiate in good faith to attempt to resolve all identified issues. BPA may reasonably withhold its consent to Tacoma's request if the Parties are unable to resolve an identified issue. If BPA determines Tacoma may change to the Load Following purchase obligation, then BPA shall prepare and offer contract amendments to this Agreement that include, but are not limited to, any conditions precedent that BPA may require prior to Tacoma taking the Load Following purchase obligation.

11.3.2 Limitations Due to Total Monthly Peak Load Increase

After receiving Tacoma's notice under section 11.2, BPA shall evaluate the impact of Tacoma'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 Tacoma's purchase obligation, and (2) the peak amounts of Tacoma's Dedicated Resource(s) as stated in Exhibit A.

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

BPA will not withhold its approval of Tacoma'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 This section intentionally left blank.

11.5 Changes to Block Purchase Obligation

If Tacoma 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 Tacoma 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) Tacoma shall be responsible for fulfilling all rights, obligations, and liabilities associated with its prior purchase obligation, and (2) Tacoma 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 Tacoma 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 Tacoma makes a request to change its purchase obligation, then BPA shall notify Tacoma of any such additional charges. BPA shall not be required to make a payment to Tacoma as a result of Tacoma changing its purchase obligation.

11.7 Change Confirmation

Within 30 calendar days of BPA's presentation to Tacoma of the additional charges determined in section 11.6, Tacoma 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 Tacoma's confirmation of its decision to change its purchase obligation, the Parties shall amend this Agreement to replace the terms of Tacoma's current purchase obligation with the terms of the new purchase obligation.

11.9 Additional Rights to Change Purchase Obligation

In addition to the opportunity to change its purchase obligation provided in section 11.1, Tacoma may elect to change its purchase obligation to one of those stated in section 11.9.2 after the occurrence of any of the events listed in sections 11.9.1 through 11.9.3.

11.9.1 Changes to Transmission Scheduling Practices

During the term of this Agreement, if Tacoma changes its purchase obligation to the Slice/Block Product, then Tacoma may change its purchase obligation to one of those stated in section 11.9.2 by providing written notice to BPA in accordance with section 20 no later than 60 calendar days after BPA, or its successor, adopts standards, rules, practices or procedures, that require Tacoma to schedule hourly energy based on Scheduling Points of Receipt for each of the Tier 1 System Resources from which Tacoma may receive Slice Output Energy under this Agreement. Unless the Parties agree otherwise, the effective date of the contingent contract amendment shall be October 1 of the Fiscal Year following the date BPA adopts such policy.

11.9.2 Alternative Requirements Power Purchase Obligation

Tacoma may select one of the following purchase obligations in the event Tacoma changes its purchase obligation pursuant to section 11.9.1: Load Following, Annual Flat Block, Diurnally Shaped Monthly Block, Flat Monthly Block, Flat Monthly Block with 10 Percent Shaping Capacity, Flat Monthly Block with PNR Shaping Capacity, or Flat Monthly Block with PNR Shaping Capacity with PLVS.

The Parties shall amend this Agreement for the selected purchase obligation. Such amendment shall contain the same terms and conditions as this Agreement, including any elections or choices made under this Agreement that are applicable to the new purchase obligation selected by Tacoma.

11.9.3 Waiver of Certain Claims for Damages

In the event that Tacoma changes its purchase obligation in accordance with this section 11, Tacoma agrees not to seek and hereby waives the right, if any such right exists, to pursue any claim for damages from BPA due to any such change. This waiver is limited to any claims Tacoma may have arising from changes to Tacoma's purchase obligation under this section 11. This waiver has no application to, and Tacoma hereby expressly preserves, any claims for damages arising under any other section of this Agreement.

12. BILLING CREDITS AND RESIDENTIAL EXCHANGE

12.1 Billing Credits

If Tacoma develops a Generating Resource or engages in conservation activities independently undertaken to serve its loads, then Tacoma 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 Tacoma'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, Tacoma agrees it will not seek and shall not receive residential exchange benefits pursuant to Section 5(c) of the Northwest Power Act. Tacoma's agreement in this section 12.2 is a material precondition to BPA offering and executing this Agreement.

13. SCHEDULING

Tacoma shall schedule power in accordance 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 Tacoma 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 Slice Output Energy and the Block Product are made available by Power Services to Tacoma for purposes of acquiring transmission service and transmission scheduling.

14.2 Transmission Service

14.2.1 Tacoma is responsible for acquiring transmission service to deliver power from the Scheduling Points of Receipt.

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

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

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

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

14.3 Liability for Delivery

Tacoma 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 Tier 1 Block Amounts and Tier 2 Block Amounts to Tacoma's PODs listed in Exhibit E.

Tacoma shall be responsible for all real power losses associated with the delivery of its Slice Output Energy.

14.5 Metering Losses

BPA shall adjust measured amounts of power to account for metering losses, if any, that occur between Tacoma's PODs and the respective POMs, as specified in Exhibit E.

15. METERING

15.1 Requirements for Meters

For purposes of forecasting, planning, or billing and pursuant to the requirements of section 17.5, BPA may require Tacoma to provide BPA some or all of Tacoma's load data. Additionally, for purposes of forecasting, planning or billing, BPA may require Tacoma to provide BPA access to load meter data.

If, during the term of this Agreement, BPA determines that the load data BPA has requested and Tacoma has provided to BPA is not adequate or verifiable, or if BPA determines that either load or resource meter data is needed to administer this Agreement, then Tacoma shall allow BPA to install BPA owned meters, at BPA's expense, to collect such data.

For all new meters and for all existing meters listed in Exhibit E, used by BPA for forecasting, planning, or billing, the following requirements shall apply.

15.1.1 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 forecast, plan, or bill for Tacoma's power needs under this Agreement consistent with Tacoma's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Tacoma has with BPA. Tacoma authorizes BPA to maintain and replace any BPA owned metering equipment on Tacoma facilities that is reasonably necessary to forecast, plan, or bill for power. With reasonable notice from BPA, and for the purpose of implementing this provision, Tacoma shall grant BPA reasonable physical access to BPA owned meters at BPA's request, consistent with Tacoma's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Tacoma 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 Tacoma's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Tacoma has with BPA. Tacoma 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 Tacoma's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Tacoma has with BPA.

15.1.2 Non-BPA Owned Meters

15.1.2.1 Non-BPA Owned Meters Owned by Tacoma

At Tacoma's expense, Tacoma shall operate, maintain, and replace, as necessary, all non-BPA metering equipment that is owned by Tacoma that is needed by BPA to forecast, plan, or bill for Tacoma's power needs under this Agreement. For the purpose of inspection, Tacoma shall grant BPA reasonable physical access to Tacoma's meters at BPA's request, consistent with Tacoma's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Tacoma has with BPA.

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

15.1.2.2 Non-BPA Owned Meters Not Owned by Tacoma

For non-BPA owned meters not owned by Tacoma, and excluding such in section 15.1.2.3 below, needed by BPA to forecast, plan, or bill for power under this Agreement, Tacoma shall make commercially reasonable efforts to arrange with the owner(s) of the meters to be operated, maintained and replaced, as necessary.

If, at any time, it is determined that a non-BPA owned meter not owned by Tacoma listed in Exhibit E is defective or inaccurate, then Tacoma 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 Tacoma listed in Exhibit E, consistent with Tacoma's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Tacoma has with BPA as well as any applicable agreements Tacoma may have with the owner of the meter.

15.1.2.3 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 Tacoma load, the metering arrangements shall be between BPA and the Third-Party Transmission Provider.

15.1.3 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 Tacoma 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.

15.2 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.

15.3 Metering Exhibit

The Parties shall provide meter data to one another as specified in section 17.3. BPA shall list Tacoma's PODs, POMs, Interchange Points as applicable, and related information in Exhibit E.

16. BILLING AND PAYMENT

16.1 Billing

BPA shall electronically bill Tacoma 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 Tacoma. BPA may send Tacoma 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 Tacoma.

16.2 Payment

Tacoma 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 Tacoma has made payment on an estimated bill then:

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

17.2 Reports

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

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

Tacoma may require PNUCC or Council to execute a commercially reasonable non-disclosure agreement consistent with the terms of section 17.8 before providing such entities the data and information required pursuant to this section 17.2.3, as applicable.

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

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

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

Tacoma 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 Tacoma 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, Tacoma shall provide to BPA any load and resource information that BPA determines is reasonably necessary to calculate Tacoma'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 Hourly Total Retail Load Data

BPA shall notify Tacoma by January 15, 2026, if BPA determines that it does not have adequate hourly meter data to calculate Tacoma's Total Retail Load. If BPA sends such notification, Tacoma shall e-mail the following hourly data to BPA at kslf@bpa.gov according to the schedule below. Tacoma shall submit such data in a comma-separated-value (csv) format with the time/date stamp in one column and load amounts, with units of measurement specified, in another column.

17.5.1 By June 30, 2026, Tacoma shall send to BPA Tacoma's actual hourly Total Retail Load data for Fiscal Year 2016 through Fiscal Year 2025.

17.5.2 By December 31, 2026, and by December 31 of each year thereafter, Tacoma shall send BPA Tacoma's actual hourly Total Retail Load data for the immediately preceding Fiscal Year.

17.6 Total Retail Load Forecast

17.6.1 By December 31, 2026, and by December 31 of each Forecast Year thereafter, Tacoma shall provide BPA a forecast of Tacoma's monthly energy and Tacoma's system coincidental peak of Tacoma's Total Retail Load for the upcoming ten Fiscal Years.

Tacoma shall e-mail the forecast to BPA at kslf@bpa.gov, in a comma-separated-value (csv) format. Tacoma shall send the csv file with the following data elements in separate columns:

- (1) four-digit calendar year,
- (2) three-character month identifier,
- (3) monthly energy forecast in megawatt hours (MWh), and
- (4) Tacoma's monthly Tacoma-system coincidental peak forecast in megawatts (MW).

Unless a BPA forecast under section 17.6.3 below is applied, BPA shall fill in the table in section 1.1 of Exhibit A with Tacoma's Total Retail Load forecast submitted under this section 17.6.1 by March 31, 2028, and by March 31 of each Rate Case Year thereafter.

17.6.2 No later than January 31 ahead of power delivery for a Fiscal Year, Tacoma may submit an updated Total Retail Load forecast for use in establishing Tacoma's Net Requirement, consistent with section 1 of Exhibit A, for the remaining year(s) of that Rate Period. Unless a BPA forecast under section 17.6.3 below is used, BPA shall calculate such Net Requirement using such updated Total Retail Load forecast if one or more of the following apply:

- (1) Tacoma's updated Total Retail Load forecast: (A) changes by at least the lesser of 10 percent or 15 aMWs compared to the forecast used to establish Tacoma's Above-CHWM Load, and (B) would change Tacoma's Net Requirement eligible for power at the Tier 1 Rate(s); or
- (2) Tacoma permanently removes a Specified Resource listed in section 2 of Exhibit A, consistent with section 3.5.6 of the body of this Agreement, that would change Tacoma's Net Requirement.

Unless a BPA forecast under section 17.6.3 below is applied, if Tacoma submits an updated Total Retail Load forecast as provided above, then by March 31 following Tacoma's submittal BPA shall fill in the table in section 1.1 of Exhibit A with Tacoma's Total Retail Load forecast for the remaining Fiscal Year(s) of the Rate Period.

17.6.3 For any Total Retail Load forecast Tacoma submits pursuant to sections 17.6.1 and 17.6.2 above. BPA may notify Tacoma no later than one calendar month after such submittal if BPA determines Tacoma's submitted forecast is not reasonable. If BPA determines Tacoma's submitted forecast is not reasonable, then BPA shall fill in the table in section 1.1 of Exhibit A with a forecast BPA determines to be reasonable by March 31 immediately preceding the start of the Fiscal Year.

17.6.4 In the Above-CHWM Load Process, BPA will make available Tacoma's updated Total Retail Load forecast and any changes to Tacoma's Dedicated Resources and Consumer-Owned Resources that would change Tacoma's Net Requirement as determined pursuant to sections 17.6.2 and 17.6.3 above.

17.7 Transparency of Net Requirements Process

By July 31, 2028, and by July 31 each Rate Case Year thereafter, BPA shall make the following information publicly available to Tacoma and all other BPA regional utility customers with a CHWM:

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

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

17.8 Confidentiality

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

17.9 Resources Not Used to Serve Total Retail Load

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

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

Tacoma 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 Tacoma's retail rate schedule effective dates. This requirement may be satisfied by Tacoma 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 Tacoma a written notice that BPA may restrict service to Tacoma. 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 Tacoma'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 Tacoma. If BPA imposes

a restriction under this provision then the amount of Firm Requirements Power that BPA is obligated to provide and that Tacoma 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

Tacoma 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.

Tacoma's Potential NLSLs, Planned NLSLs, and NLSLs shall be subject to monitoring as determined necessary by BPA. For the purposes of section 2.104, 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 Tacoma 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 Tacoma'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 Tacoma'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, Tacoma 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. Tacoma 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, Tacoma may install meters meeting specifications BPA provides to Tacoma. Tacoma 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. Tacoma shall coordinate with BPA and the end-use consumer to arrange for metering locations that allow accurate measurement of the load at a facility. Tacoma shall arrange for BPA to have physical access to such meters and Tacoma 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 Tacoma 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 Tacoma'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. Tacoma 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, Tacoma shall make a service request or election for the NLSL pursuant to section 20.3.6.

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

20.3.6 Service Options for Planned NLSLs and NLSLs

Tacoma shall serve all Planned NLSLs and NLSLs with Dedicated Resource or Consumer-Owned Resource amounts added in Exhibit A that are not already being used to serve Tacoma's Total Retail Load in the Region. Tacoma agrees to provide such Dedicated Resource or Consumer-Owned Resource amounts on a continuous basis as identified in Exhibit A. Tacoma shall not request for BPA to serve any Planned NLSL or NLSL with power priced at the NR Rate. Under no circumstances will BPA be obligated to acquire firm power for service to Tacoma's Planned NLSLs and NLSLs.

20.3.7 Submittal of Initial Forecast

If Tacoma 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, Tacoma 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 Tacoma'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 Tacoma's initial forecast to be unreasonable, then BPA may replace Tacoma's initial forecast with a final forecast that BPA develops. If Tacoma is serving any Planned NLSLs or NLSLs with Dedicated Resource or Consumer-Owned Resource amounts, then BPA shall revise section 4 of Exhibit A to state such amounts by September 1 of each year.

20.3.8 Consumer-Owned Resources Serving a Planned NLSL or an NLSL

20.3.8.1 Consumer-Owned Resources

Tacoma'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 Tacoma'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 sections 15 and 17.

In order to designate a Consumer-Owned Resource as serving a Planned NLSL or NLSL, Tacoma shall provide BPA information demonstrating on a planning basis that any Consumer-Owned Resource forecasted generation will not exceed Tacoma's forecasted Planned NLSL or NLSL amounts on an annual average basis as submitted pursuant to section 20.3.7 above. Examples of such information include but are not limited to consumer load projections and monthly generation projections for the generating equipment to be installed.

Tacoma shall apply any power generated from the identified Consumer-Owned Resource in excess of the forecasted Planned NLSL or NLSL amounts submitted pursuant to section 20.3.7

above to load other than the Planned NLSL or NLSL to which it is designated in accordance with section 3.6.4.

Tacoma shall provide notice to BPA of any significant changes to such Planned NLSL or NLSL amounts as soon as practicable but no later than 60 calendar days after the change. Concurrent with such notice, Tacoma shall re-designate, consistent with section 3.6.2, any amount of the Consumer-Owned Resource that is expected to exceed the Planned NLSL or NLSL amounts. Such re-designation shall apply for the remaining term of this Agreement.

20.3.8.2 On-Site Renewable Resource/Cogeneration Exception

For purposes of this section 20.3.8.2, on-site means within the physical footprint of the NLSL facility as determined by BPA in the facility determination process.

Tacoma 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) Tacoma'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 Tacoma's meter 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 included in BPA's Final Provider of Choice Contract Record of Decision (ROD), September 2025, as amended or replaced.

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

20.5 Prohibition on Resale

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

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

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

21.7 Rate Covenant and Payment Assurance

Tacoma 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 Tacoma to make the payments required under this Agreement, or (2) BPA identifies in a letter to Tacoma that BPA has other reasonable grounds to conclude that Tacoma may not be able to make the payments required under this Agreement. If Tacoma 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 Tacoma 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 Tacoma of the date that BPA's participation will end.

In the event BPA ceases participation in WRAP, its obligation to support customer participation will continue.

22.1 Responsibilities and Provision of Information Necessary for WRAP Participation

Tacoma shall notify BPA if Tacoma is participating in WRAP on October 1, 2028 or starts its participation in WRAP after such date.

If Tacoma participates in WRAP, then consistent with this section 22 and section 17, BPA shall provide Tacoma with any necessary and requested information, forecasts, and attestations associated with amounts of electric power provided under this Agreement to support Tacoma's participation in WRAP.

22.1.1 Tacoma may request a signed Joint Contract Accreditation Form (JCAF) from BPA for its purchases under this Agreement relevant to WRAP. BPA shall provide Tacoma with such signed JCAF(s) no later than 30 calendar days following such request. JCAFs provided under this section shall comply with the requirements of WRAP and shall be updated as appropriate to meet WRAP requirements.

22.1.2 If Tacoma incurs any charges from WRAP attributed to power sold under this Agreement, then any pass through of such charges by Tacoma will be pursuant to section 5 of Exhibit J.

22.1.3 BPA shall have no additional responsibility to support Tacoma in its participation in WRAP beyond the terms held in this Agreement.

If Tacoma ceases to participate in WRAP, then Tacoma shall provide advance notice to BPA of the date that Tacoma's participation will end.

23. **FUTURE AMENDMENT FOR DAY-AHEAD MARKET IMPLEMENTATION**
If BPA decides, or has decided, to join a day-ahead market to serve Tacoma'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 Tacoma a contract amendment using the amendment template. Tacoma's agreement to such amendment consistent with this section 23 shall not be unreasonably withheld.

Following BPA joining a day-ahead market to serve Tacoma'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) Tacoma fails to make payment as required by section 16.4, or
- (2) Tacoma 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 TACOMA, DEPARTMENT OF
PUBLIC UTILITIES, LIGHT DIVISION

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By _____
Name Jackie Flowers
(Print/Type)
Title Director of Utilities
Date _____

By _____
Name Kathryn Patton
(Print/Type)
Title Account Executive
Date _____

Approved for availability of funds:

By _____
Name Andy Cherullo
Title Finance Director
Date _____

Approved as to form and legality:

By _____
Name Engel Lee
Title Chief Deputy City Attorney
Date _____

(PSW/POC/TP_25090_20250930_6nal.docx) 09/30/2025

**Exhibit A
NET REQUIREMENTS AND RESOURCES**

1. NET REQUIREMENTS

BPA shall establish Tacoma's Net Requirement based on its Total Retail Load minus: (1) Tacoma'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 Tacoma's purchase obligations from BPA under section 3.1 of the body of this Agreement except in accordance with sections 3.5, 3.6 and 10 of the body of this Agreement.

BPA shall calculate a forecast of Tacoma's Net Requirement for each year of the upcoming Rate Period as follows:

1.1 Forecast of Total Retail Load

BPA shall fill in the table below with Tacoma's Total Retail Load forecast as established pursuant to section 17.6 of the body of this Agreement.

Annual Forecast of Monthly Total Retail Load													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2029													
Energy (MWh)													
Peak (MW)													
Fiscal Year 2030													
Energy (MWh)													
Peak (MW)													
Fiscal Year 2031													
Energy (MWh)													
Peak (MW)													
Fiscal Year 2032													
Energy (MWh)													
Peak (MW)													
Fiscal Year 2033													
Energy (MWh)													
Peak (MW)													
Fiscal Year 2034													
Energy (MWh)													
Peak (MW)													
Fiscal Year 2035													
Energy (MWh)													
Peak (MW)													
Fiscal Year 2036													
Energy (MWh)													
Peak (MW)													
Fiscal Year 2037													
Energy (MWh)													
Peak (MW)													

Annual Forecast of Monthly Total Retail Load													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2038													
Energy (MWh)													
Peak (MW)													
Fiscal Year 2039													
Energy (MWh)													
Peak (MW)													
Fiscal Year 2040													
Energy (MWh)													
Peak (MW)													
Fiscal Year 2041													
Energy (MWh)													
Peak (MW)													
Fiscal Year 2042													
Energy (MWh)													
Peak (MW)													
Fiscal Year 2043													
Energy (MWh)													
Peak (MW)													
Fiscal Year 2044													
Energy (MWh)													
Peak (MW)													

Notes: Fill in the table above with megawatt-hours rounded to whole megawatt-hours, with megawatts rounded to one decimal place, and annual Average Megawatts rounded to three decimal places.

1.2 Forecast of Net Requirements

At the time BPA fills in the table in section 1.1 above, BPA shall calculate, and fill in the table below with Tacoma's Net Requirement forecast for the remaining Fiscal Year(s) of the Rate Period by month. Tacoma's Net Requirement forecast is based on Tacoma's Total Retail Load forecast, stated in section 1.1 above, minus: (1) Tacoma's Dedicated Resource amounts, stated in section 5 below, and (2) Consumer-Owned Resources stated in sections 7.1, 7.3, and 7.4 of this exhibit.

On a planning basis Tacoma shall serve that portion of its Total Retail Load that is not served with Firm Requirements Power with Tacoma's Dedicated Resources.

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2035													
Total (MWh)	REDACTED												
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2044													
Total (MWh)	REDACTED												
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Note: Fill in the table above with megawatt-hours rounded to whole megawatt-hours, with megawatts rounded to one decimal place, and annual Average Megawatts rounded to three decimal places.

2(2) Cushman 1

(A) Special Provisions
None

(B) Resource Profile

Fuel Type	Date Resource Dedicated to Load	Date of Resource Removal	Percent of Resource Used to Serve Load	Nameplate Capability (MW)	Delivery Plan
Hydro	1979	N/A	100%	50.00	TPWR

Statutory Status		Resource Status		Applied to Tier 1 Allowance Amount		RSS		Dispatchable	
5b1A	5b1B	Existing	New	Yes	No	Yes	No	Yes	No
X		X			X		X	X	

Note: Fill in the table above with "X"s.

(C) Specified Resource Amounts

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2029													
Total (MWh)	REDACTED												
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2032													
Total (MWh)	REDACTED												
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2042													
Total (MWh)	REDACTED												
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Note: Fill in the table above with megawatt-hours rounded to whole megawatt-hours, with megawatts rounded to one decimal place, and annual Average Megawatts rounded to three decimal places.

2(3) Cushman 2

(A) Special Provisions
None

(B) Resource Profile

Fuel Type	Date Resource Dedicated to Load	Date of Resource Removal	Percent of Resource Used to Serve Load	Nameplate Capability (MW)	Delivery Plan
Hydro	1979	N/A	100%	81.00	TPWR

Statutory Status		Resource Status		Applied to Tier 1 Allowance Amount		RSS		Dispatchable	
5b1A	5b1B	Existing	New	Yes	No	Yes	No	Yes	No
X		X			X		X	X	

Note: Fill in the table above with "X"s.

(C) Specified Resource Amounts

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2029													
Total (MWh)	REDACTED												
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Specified Resource Amounts												annual aMW
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fiscal Year 2030 REDACTED												
Total (MWh)												
HLH (MWh)												
LLH (MWh)												
Peak (MW)												
Total (MWh)												
HLH (MWh)												
LLH (MWh)												
Peak (MW)												
Total (MWh)												
HLH (MWh)												
LLH (MWh)												
Peak (MW)												
Total (MWh)												
HLH (MWh)												
LLH (MWh)												
Peak (MW)												
Total (MWh)												
HLH (MWh)												
LLH (MWh)												
Peak (MW)												
Total (MWh)												
HLH (MWh)												
LLH (MWh)												
Peak (MW)												
Total (MWh)												
HLH (MWh)												
LLH (MWh)												
Peak (MW)												

Specified Resource Amounts												annual aMW
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fiscal Year 2040 REDACTED												
Total (MWh)												
HLH (MWh)												
LLH (MWh)												
Peak (MW)												
Total (MWh)												
HLH (MWh)												
LLH (MWh)												
Peak (MW)												
Total (MWh)												
HLH (MWh)												
LLH (MWh)												
Peak (MW)												
Total (MWh)												
HLH (MWh)												
LLH (MWh)												
Peak (MW)												
Total (MWh)												
HLH (MWh)												
LLH (MWh)												
Peak (MW)												

Note: Fill in the table above with megawatt-hours rounded to whole megawatt-hours, with megawatts rounded to one decimal place, and annual Average Megawatts rounded to three decimal places.

2(4) LaGrande

(A) Special Provisions

None

(B) Resource Profile

Fuel Type	Date Resource Dedicated to Load	Date of Resource Removal	Percent of Resource Used to Serve Load	Nameplate Capability (MW)	Delivery Plan
Hydro	1979	N/A	100%	64.00	TPWR

Statutory Status		Resource Status		Applied to Tier 1 Allowance Amount		RSS		Dispatchable	
5b1A	5b1B	Existing	New	Yes	No	Yes	No	Yes	No
X		X			X		X	X	

Note: Fill in the table above with "X"s.

(C) Specified Resource Amounts

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2029													
REDACTED													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Specified Resource Amounts

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2038 REDACTED													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Note: Fill in the table above with megawatt-hours rounded to whole megawatt-hours, with megawatts rounded to one decimal place, and annual Average Megawatts rounded to three decimal places.

2(5) Mayfield (Units 41-44)

(A) Special Provisions
None

(B) Resource Profile

Mayfield (Unit 41)					
Fuel Type	Date Resource Dedicated to Load	Date of Resource Removal	Percent of Resource Used to Serve Load	Nameplate Capability (MW)	Delivery Plan
Hydro	7/1/1986	N/A	100%	40.5	TPWR

Mayfield (Unit 42-44)					
Fuel Type	Date Resource Dedicated to Load	Date of Resource Removal	Percent of Resource Used to Serve Load	Nameplate Capability (MW)	Delivery Plan
Hydro	1979	N/A	100%	121.5	TPWR

Statutory Status		Resource Status		Applied to Tier 1 Allowance Amount		RSS		Dispatchable	
5b1A	5b1B	Existing	New	Yes	No	Yes	No	Yes	No
X (Units 42-44)	X (Unit 41)	X			X		X	X	
Note: Fill in the table above with "X"s.									

(C) Specified Resource Amounts

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2029													
REDACTED													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2033													
REDACTED													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2043													
Total (MWh)	REDACTED												
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Note: Fill in the table above with megawatt-hours rounded to whole megawatt-hours, with megawatts rounded to one decimal place, and annual Average Megawatts rounded to three decimal places.

2(6) Mossy Rock

(A) Special Provisions
None

(B) Resource Profile

Fuel Type	Date Resource Dedicated to Load	Date of Resource Removal	Percent of Resource Used to Serve Load	Nameplate Capability (MW)	Delivery Plan
Hydro	1979	N/A	100%	300.00	TPWR

Statutory Status		Resource Status		Applied to Tier 1 Allowance Amount		RSS		Dispatchable	
5b1A	5b1B	Existing	New	Yes	No	Yes	No	Yes	No
X		X			X		X	X	

Note: Fill in the table above with "X"s.

(C) Specified Resource Amounts

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2029													
Total (MWh)	REDACTED												
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2031													
Total (MWh)	REDACTED												
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2041													
Total (MWh)	REDACTED												
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Note: Fill in the table above with megawatt-hours rounded to whole megawatt-hours, with megawatts rounded to one decimal place, and annual Average Megawatts rounded to three decimal places.

2(7) Wynoochee

(A) Special Provisions
None

(B) Resource Profile

Fuel Type	Date Resource Dedicated to Load	Date of Resource Removal	Percent of Resource Used to Serve Load	Nameplate Capability (MW)	Delivery Plan
Hydro	1/7/1994	N/A	100%	12.80	TPWR

Statutory Status		Resource Status		Applied to Tier 1 Allowance Amount		RSS		Dispatchable	
5b1A	5b1B	Existing	New	Yes	No	Yes	No	Yes	No
X	X				X		X	X	

Note: Fill in the table above with "X"s.

(C) Specified Resource Amounts

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2029													
Total (MWh)	REDACTED												
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Specified Resource Amounts													annual aMW
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Fiscal Year 2034 REDACTED													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Specified Resource Amounts													annual aMW
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Fiscal Year 2044 REDACTED													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Note: Fill in the table above with megawatt-hours rounded to whole megawatt-hours, with megawatts rounded to one decimal place, and annual Average Megawatts rounded to three decimal places.

2(9) Wanapum

(A) Special Provisions

Historically, the Canadian Entitlement Allocation Extension Agreements (CEAEAs) governed the processes by which the non-federal Mid-Columbia dam owners were authorized to use improved streamflow brought about by Canadian storage. The CEAEAs, which apply to Wells, Rocky Reach, Rock Island, Wanapum, and Priest Rapids hydro projects, expired on September 15, 2024. As of the Effective Date, new arrangements authorizing the use of improved streamflow by the non-federal Mid-Cs have not been finalized. BPA is reflecting Tacoma's obligations to Canada in this Agreement as zero in the table below. If new arrangements are finalized, BPA will enter the finalized values in a new table in section 2. Entered values shall be for future months only. Values shown for months prior to the date Exhibit A is revised shall not be changed.

(B) Resource Profile

Fuel Type	Date Resource Dedicated to Load	Date of Resource Removal	Percent of Resource Used to Serve Load	Nameplate Capability (MW)	Delivery Plan
Hydro	1979	N/A	0.290%	1,038.00	TPWR

Statutory Status		Resource Status		Applied to Tier 1 Allowance Amount		RSS		Dispatchable	
5b1A	5b1B	Existing	New	Yes	No	Yes	No	Yes	No
X		X			X		X	X	

Note: Fill in the table above with "X"s.

(C) Specified Resource Amounts

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2029													
REDACTED													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2038													
REDACTED													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Note: Fill in the table above with megawatt-hours rounded to whole megawatt-hours, with megawatts rounded to one decimal place, and annual Average Megawatts rounded to three decimal places.

2(10) North Fork Powerhouse (Cushman 3)

(A) Special Provisions

None

(B) Resource Profile

Fuel Type	Date Resource Dedicated to Load	Date of Resource Removal	Percent of Resource Used to Serve Load	Nameplate Capability (MW)	Delivery Plan
Hydro	10/1/2013	N/A	100%	3.60	TPWR

Statutory Status		Resource Status		Applied to Tier 1 Allowance Amount		RSS		Dispatchable	
5b1A	5b1B	Existing	New	Yes	No	Yes	No	Yes	No
	X	X			X		X	X	

Note: Fill in the table above with "X"s.

(C) Specified Resource Amounts

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2029													
REDACTED													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Specified Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2037 REDACTED													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													
Total (MWh)													
HLH (MWh)													
LLH (MWh)													
Peak (MW)													

Note: Fill in the table above with megawatt-hours rounded to whole megawatt-hours, with megawatts rounded to one decimal place, and annual Average Megawatts rounded to three decimal places.

3. COMMITTED POWER PURCHASE AMOUNTS

3.1 Committed Power Purchase Amounts Used to Serve Total Retail Load

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

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

Tacoma 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

Tacoma 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

The amounts in the table below equal the sum of all Dedicated Resource amounts used to serve Tacoma's Total Retail Load listed above in sections 2, 3, and 4.

Total Dedicated Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2029													
Total (MWh)	REDACTED												
HLH (MWh)	REDACTED												
LLH (MWh)	REDACTED												
Peak (MW)	REDACTED												
Total (MWh)	REDACTED												
HLH (MWh)	REDACTED												
LLH (MWh)	REDACTED												
Peak (MW)	REDACTED												
Total (MWh)	REDACTED												
HLH (MWh)	REDACTED												
LLH (MWh)	REDACTED												
Peak (MW)	REDACTED												
Total (MWh)	REDACTED												
HLH (MWh)	REDACTED												
LLH (MWh)	REDACTED												
Peak (MW)	REDACTED												

Total Dedicated Resource Amounts													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	annual aMW
Fiscal Year 2036													
Total (MWh)	REDACTED												
HLH (MWh)	REDACTED												
LLH (MWh)	REDACTED												
Peak (MW)	REDACTED												
Total (MWh)	REDACTED												
HLH (MWh)	REDACTED												
LLH (MWh)	REDACTED												
Peak (MW)	REDACTED												
Total (MWh)	REDACTED												
HLH (MWh)	REDACTED												
LLH (MWh)	REDACTED												
Peak (MW)	REDACTED												
Total (MWh)	REDACTED												
HLH (MWh)	REDACTED												
LLH (MWh)	REDACTED												
Peak (MW)	REDACTED												
Total (MWh)	REDACTED												
HLH (MWh)	REDACTED												
LLH (MWh)	REDACTED												
Peak (MW)	REDACTED												

Note: Fill in the table above with megawatt-hours rounded to whole megawatt-hours, with megawatts rounded to one decimal place, and annual Average Megawatts rounded to three decimal places.

6. **LIST OF RESOURCES NOT USED TO SERVE TOTAL RETAIL LOAD**
Pursuant to section 17 of the body of this Agreement, Tacoma 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**
Pursuant to section 3.6 of the body of this Agreement, Tacoma has one or more existing Consumer-Owned Resources. Tacoma shall designate such resource as serving On-Site Consumer Load, serving load other than On-Site Consumer Load, or serving both On-Site Consumer Load and load other than On-Site Consumer Load pursuant to section 3.6.1 of the body of this Agreement. By September 30, 2026, BPA shall update sections 7.1, 7.2, or 7.3 with Tacoma's designations and amounts for its existing Consumer-Owned Resources.
- 7.1 **Consumer-Owned Resources Serving On-Site Consumer Load**
This section is intentionally left blank.
- 7.2 **Consumer-Owned Resources Serving Load Other than On-Site Consumer Load**
This section is intentionally left blank.
- 7.3 **Consumer-Owned Resources Serving Both On-Site Consumer Load and Load Other than On-Site Consumer Load**
This section is intentionally left blank.
- 7.4 **Consumer-Owned Resources Serving Planned NLSL or NLSL**
Pursuant to section 20.3.8 of the body of this Agreement, Tacoma does not have any Consumer-Owned Resources serving a Planned NLSL or an NLSL at this time.
8. **REVISIONS**
BPA shall unilaterally revise this exhibit to reflect: (1) Tacoma's elections regarding the application and use of all resources owned by Tacoma and Tacoma'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.

(PSW/POC/TP_25090/TP_25090_20250923_Exh A_final.docx) 09/23/2025

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 Tacoma's CHWM. Once established, BPA may only adjust Tacoma's CHWM as permitted pursuant to section 1.2 of this exhibit.

CHWM (annual aMW) ^{1/2}
Note: BPA shall round the number in the table above to three decimal places. ^{1/2} CHWM amount effective October 1, 2028.

1.2 CHWM Adjustments

BPA shall determine any adjustments to Tacoma's CHWM pursuant to this section 1.2. BPA shall notify Tacoma of any adjustments and the date such adjustment will be effective.

1.2.1 Corrections for NLSLs

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

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

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

1.2.3 Ceded Load

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

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

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

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

Eligible for Small Utility Adjustment	Maximum Potential CHWM

If Tacoma 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 Tacoma's CHWM.

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

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

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

For any Rate Period that BPA adjusts Tacoma'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 Tacoma written notice of the CHWM adjustment and revised Exhibit B. For purposes of the Tier 1 Marginal Energy True-Up rate, Tacoma'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.

(PSW/POCTP_25090_20250912_Exh B_final.docx) 09/12/2025

Exhibit C PURCHASE OBLIGATIONS

1. TIER 1 BLOCK AMOUNTS

1.1 Annual Tier 1 Block Amounts

By March 31 concurrent with BPA's calculation of Tacoma's Net Requirement pursuant to section 1 of Exhibit A, BPA shall update the table below with Tacoma's annual Tier 1 Block Amount for the upcoming Fiscal Year as calculated pursuant to section 4.3 of the body of this Agreement.

Annual Tier 1 Block Amounts		
Fiscal Year	Annual Tier 1 Block Amount (aMW)	Annual Tier 1 Block Amount (MWh)
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		

1.2 Flat Within-Month Shape

Tacoma's monthly Tier 1 Block Amounts, expressed in MWh, shall be determined based on the Monthly Shaping Factors. Tacoma's Monthly Shaping Factors that are used to determine monthly Tier 1 Block Amounts shall be determined as follows:

1.2.1 Monthly Shaping Factors to Determine Amounts for Each Month

For purposes of this section 1.2, "Monthly Shaping Factors" means the twelve monthly factors on a Rate Period basis, as stated in section 1.2.1.3 of this exhibit, which BPA shall use to determine the amount of Firm Requirements Power priced at Tier 1 Rates for each month of a Fiscal Year. BPA shall determine Tacoma's Monthly Shaping Factors in accordance with section 1.2.1.2 of this exhibit using Tacoma's "monthly load values" and "annual load value" as determined in accordance with section 1.2.1.1 of this exhibit.

1.2.1.1 Calculation of Monthly and Annual Load Values

BPA shall calculate Tacoma's "monthly load value" for each month of the year by taking the average of Tacoma's Total Retail Load, expressed in MWh, for the four years prior to the current Forecast Year for the applicable month.

$$\text{Monthly Load Value} = \text{avg}(\text{TRL}_{\text{monthYear } 1}, \text{TRL}_{\text{monthYear } 2}, \text{TRL}_{\text{monthYear } 3}, \text{TRL}_{\text{monthYear } 4})$$

Where:

$\text{TRL}_{\text{monthYear } 1}$ means the Total Retail Load, in MWh, of a given month in the first year of the four-year period prior to the current Forecast Year

$\text{TRL}_{\text{monthYear } 2}$ means the Total Retail Load, in MWh, of a given month in the second year of the four-year period prior to the current Forecast Year

$\text{TRL}_{\text{monthYear } 3}$ means the Total Retail Load, in MWh, of a given month in the third year of the four-year period prior to the current Forecast Year

$\text{TRL}_{\text{monthYear } 4}$ means the Total Retail Load, in MWh, of a given month in the fourth year of the four-year period prior to the current Forecast Year

BPA shall calculate Tacoma's "annual load value" by taking the average of Tacoma's Total Retail Load, expressed in MWh for the four Fiscal Years prior to the current Forecast Year.

$$\text{Annual Load Value} = \text{avg}(\text{TRL}_{\text{Year } 1}, \text{TRL}_{\text{Year } 2}, \text{TRL}_{\text{Year } 3}, \text{TRL}_{\text{Year } 4})$$

Where:

$\text{TRL}_{\text{Year } 1}$ means the Total Retail Load, in MWh, the first year of the four year period prior to the current Forecast Year

$\text{TRL}_{\text{Year } 2}$ means the Total Retail Load, in MWh, the second year of the four year period prior to the current Forecast Year

$\text{TRL}_{\text{Year } 3}$ means the Total Retail Load, in MWh, the third year of the four year period prior to the current Forecast Year

$\text{TRL}_{\text{Year } 4}$ means the Total Retail Load, in MWh, the fourth year of the four year period prior to the current Forecast Year

1.2.1.2 Calculation of Monthly Shaping Factors

BPA shall calculate Tacoma's Monthly Shaping Factors as follows: (1) the "monthly shape numerator" for each month, divided by (2) the "monthly shape denominator."

Where:

"monthly shape numerator" equals the greater of (1) zero or (2) "monthly load value" for the corresponding month minus the average of Tacoma's Dedicated Resource amounts for that month and for all months within both years of the applicable Rate Period as listed in section 2 of Exhibit A, expressed in MWh; and

"monthly shape denominator" equals (1) the "annual load value," minus (2) the average of Tacoma's Dedicated Resource amounts for all months within both years of the given Rate Period as listed in section 2 of Exhibit A, expressed in MWh.

1.2.1.3 Monthly Shaping Factors

By March 31, 2027 and by March 31 of each Rate Case Year thereafter, BPA shall update the table below with Tacoma's Monthly Shaping Factors calculated in accordance with this section 1.2.1.

Monthly Shaping Factors													
FY	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
2029-2030													1.000
2031-2032													1.000
2033-2034													1.000
2035-2036													1.000
2037-2038													1.000
2039-2040													1.000
2041-2042													1.000
2043-2044													1.000

Note: Round the factors in the table above to three decimal places.

1.3 Monthly Tier 1 Block Amounts

The monthly Tier 1 Block Amounts for each month of each Fiscal Year, beginning with FY 2029 shall be equal to: (1) the annual Tier 1 Block Amount as specified in section 1.1 of this exhibit multiplied by (2) the Monthly Shaping Factor for the corresponding month as specified in section 1.2 of this exhibit, rounded to a whole number. BPA shall enter such amounts into the table below. Due to rounding, total megawatt-hour deliveries during any Fiscal Year may be slightly different than the megawatt-hours stated in section 1.1 of this exhibit. Tacoma shall schedule

the monthly Tier 1 Block Amounts as flat as possible on all hours of each month.

Monthly Tier 1 Block Amounts (MWh)												
FY	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2029												
2030												
2031												
2032												
2033												
2034												
2035												
2036												
2037												
2038												
2039												
2040												
2041												
2042												
2043												
2044												

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, Tacoma 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 Tacoma 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 Tacoma'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**
Tacoma shall purchase and BPA shall serve all of Tacoma'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**
Tacoma shall purchase and BPA shall provide up to a fixed Average Megawatt amount of Tacoma'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, Tacoma 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**
Tacoma 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, Tacoma 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.

Tacoma 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								

Note: the amount in the table should be rounded to three decimal places.

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

Tacoma's total Tier 2 Rate purchase obligation amount(s) that BPA shall provide and Tacoma 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 This section intentionally left blank.

2.3 Tier 2 Long-Term Rate

2.3.1 Election Opportunity and Tier 2 Long-Term Rate Purchase Obligation Amount

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

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

Note: 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

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

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

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

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

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

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

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

2.3.3.4 Charges to Change Tier 2 Long-Term Election Amount

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

If Tacoma elects option B under section 2.1, then the amount of Firm Requirements Power Tacoma may request to purchase at the Tier 2 Short-Term Rate shall not exceed the difference between Tacoma'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 Tacoma elects option C under section 2.1, then the amount of Firm Requirements Power Tacoma may request to purchase at the Tier 2 Short-Term Rate, shall not exceed the lesser of Tacoma'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 Tacoma elects option D under section 2.1, then the amount of Firm Requirements Power Tacoma may request to purchase at the Tier 2 Short-Term Rate, shall not exceed Tacoma'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									

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

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

2.5.5. Multiple Requests for Vintage Resource

Tacoma'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 Tacoma 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 Tacoma's Above-CHWM Load as surplus power and provide such to Tacoma at a surplus rate equivalent to the applicable Tier 2 Vintage Rate to be managed by Tacoma; or
- (2) in accordance with section 10 of this exhibit, and pursuant to the PRDM, provide a remarketing service for the power that exceeds Tacoma's Above-CHWM Load until Tacoma'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, Tacoma may have the opportunity to purchase Firm Requirements Power at Tier 2 Vintage Rates regardless of whether Tacoma is purchasing power at Tier 2 Short-

Term Rates, if BPA determines, in its sole discretion, to offer Tacoma a Statement of Intent that would provide Tacoma the opportunity to purchase Firm Requirements Power at Tier 2 Vintage Rates.

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

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

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

2.6 Obligation to Apply Dedicated Resources

Tacoma shall apply Dedicated Resources to serve the portion of its Above-CHWM Load that exceeds the sum of all Tacoma's purchase obligations at Tier 2 Rates under sections 2.3, 2.4, and 2.5 above. BPA shall add Tacoma's Dedicated Resources to section 2 and section 3 of Exhibit A.

2.7 Above-CHWM Load Liability

If Tacoma 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 Tacoma 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 Tacoma's notice of annexation. BPA shall include such cost identified through the 7(i) Process on Tacoma's bill. In no event shall BPA make payment to Tacoma as a result of Tacoma reducing its amounts of Firm Requirements Power.

2.8 Updates to Total Retail Load Forecast

If Tacoma submits an updated Total Retail Load forecast pursuant to section 17.6.2 of the body of the Agreement, and BPA updates Tacoma's forecast Net Requirement consistent with section 1 of Exhibit A and calculates an Above-CHWM Load amount greater than Tacoma's Above-CHWM Load amount established in the Above-CHWM Load Process, then Tacoma shall apply Dedicated Resources to serve the difference between (1) the amount established in the Above-CHWM Load Process and (2) any additional Above-CHWM Load amount established through such updated Total Retail Load forecast, for the applicable Rate Period. By March 31 following such calculation and determination, BPA will update Exhibit A with any changes to Tacoma's Dedicated Resource amounts.

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 Tacoma's elections for the upcoming Rate Period, with: (1) the planned annual average amounts of Firm Requirements Power that Tacoma 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 Tacoma 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) Tacoma'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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REDACTED

Exhibit D
ADDITIONAL PRODUCTS AND SPECIAL PROVISIONS

1. CF/CT AND NEW LARGE SINGLE LOADS

1.1 CF/CT Loads

The Administrator has determined that the following loads were CF/CTs as of September 1, 1979, as defined in Section 3(13)(A) of the Northwest Power Act, and are subject to PF rates:

REDACTED

1.2 Potential NLSLs

Tacoma has the following identified Potential NLSLs:

1.3 Planned NLSLs

Tacoma has no Planned NLSLs.

1.4 NLSLs

Tacoma has no NLSLs.

1.4.1 Renewable Resource/Cogeneration Exception

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

1.5 Load at a Potential NLSL and Planned NLSL Facility

1.5.1 Cumulative Prior Load

Pursuant to section 20.3.5.2 of the body of this Agreement, BPA shall fill in the table in section 1.5.2 below with any Tacoma amounts of Potential NLSL and Planned NLSL Cumulative Prior Load.

1.5.2 Load at a Facility Included in Calculation of Power Eligible at PF Rates

Pursuant to section 20.3.5.3 of the body of this Agreement, BPA shall fill in the table below with the fixed amount of load at a facility to be included in the calculation of Tacoma's Firm Requirements Power eligible for service at PF rates.

REDACTED

2. 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. DESCRIPTION OF INTERCHANGE METERS

For purposes of this exhibit, an "Interchange Point" means the point where two Balancing Authority Areas interconnect and at which the interchange of energy between Balancing Authority Areas is monitored and measured by interchange meter(s). The Parties agree that although the following interchange meters may not be necessary to prepare Tacoma's power bills, inclusion of this information will help both Parties administer this Agreement. Information about the points of interchange and meter to interchange relationships are useful in providing the Parties a better understanding of the scope of Tacoma's and BPA's Balancing Authority Areas. This information will also help BPA review its forecasting assumptions.

Name of Interchange Point	Meter Location	Meter Owner

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 Tacoma with a revised Exhibit E. The effective date will be the date stated at the top of the revised exhibit.

(PSW/POC/TP_25090_20250923_Exh E_final.docx) 09/23/2025

**Exhibit F
SCHEDULING**

1. SCHEDULING BPA-PROVIDED POWER

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 "Scheduling Hour" or "Scheduling Hour XX" means the 60-minute period ending at XX:00. For example, Scheduling Hour 04 means the 60-minute period ending at 4:00 a.m.
- 1.1.9 "Slice Scheduling Day" means the applicable day that final Customer Inputs are submitted for a given Slice Operating Day. The Slice

Scheduling Day occurs the calendar day before the Slice Operating Day.

- 1.2 Tacoma shall create E-Tags for all amounts of SOER, Tier 1 Block Amounts and Tier 2 Block Amounts purchased under this Agreement. Tacoma shall provide copies of such E-Tags to Power Services consistent with the requirements of this exhibit.

2. COORDINATION REQUIREMENTS

- 2.1 **Hourly Tier 1 and Tier 2 Block Amounts**
Consistent with section 4 of the body of the Agreement and sections 1.3 and 2.9 of Exhibit C, BPA shall determine Tacoma's hourly Tier 1 Block Amounts and Tier 2 Block Amounts for all hours of the upcoming Fiscal Year and shall provide Tacoma with such amounts at least five Business Days prior to October 1 of each Fiscal Year.
- 2.2 **Prescheduling**
Tacoma's submittal of E-Tags, pursuant to section 1 above, shall be due to Power Services in accordance with the parameters specified in section 3.3.4 of this exhibit.
- 2.3 **Real-Time Scheduling**
Tacoma may submit new or modified E-Tags pursuant to section 1.2. Any E-Tag submitted in real-time shall not adjust any amounts of SOER set in accordance with section 4 of this exhibit.
- 2.4 **After the Fact**
Power Services and Tacoma 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). Power Services and Tacoma shall verify all transactions under this Agreement as to product or type of service, hourly amounts, daily and monthly totals, and related charges.

3. SOER SCHEDULING REQUIREMENTS

- 3.1 E-Tags for SOER amounts submitted to Power Services by Tacoma shall not exceed the SOER established in the POCSA for such Scheduling Hour.
- 3.2 The timeline within which Power Services shall approve or deny Tacoma's SOER schedules, as represented by Tacoma's E-Tags, shall conform to Power Services' scheduling guidelines as specified in sections 3 and 4 of this exhibit.
 - 3.2.1 SOER E-Tags shall: (1) identify Power Services as the generation providing entity, (2) identify Tacoma as first downstream purchasing-selling entity, (3) identify hourly energy amounts in megawatt-hours, and (4) maintain all data consistent with applicable industry standards.

3.2.2 Changes to SOER E-Tags required by a Balancing Authority for maintaining system reliability, as determined by the responsible Balancing Authority, shall be implemented by Power Services and Tacoma at the time of such notification by the Balancing Authority.

3.3 Tacoma shall verify the sum of its hourly tagged and non-tagged (e.g., transmission loss schedules, etc., that are not tagged) energy amounts is equal to its SOER amounts, pursuant to section 7 of Exhibit L, for each Scheduling Hour.

3.3.1 Tacoma shall have the right to submit adjusted Customer Inputs to Power Services, pursuant to section 4 of this exhibit, in order to alter the associated Simulated Output Energy Schedules within established SOE Limits, such that Tacoma's SOER amounts is made equal to the sum of its tagged and non-tagged energy amounts for each Scheduling Hour.

3.3.2 For each Scheduling Hour, the amount that Tacoma's hourly tagged and non-tagged energy is in excess of its SOER amount shall be subject to the Unauthorized Increase Charge for energy. For each Scheduling Hour, the amount that Tacoma's hourly tagged and non-tagged energy is less than its SOER amount shall be forfeited, subject to any charges in BPA's applicable Power Rate Schedules and GRSPs.

3.3.3 SOER E-Tag and SOER amount mismatches that result from Balancing Authority reliability required actions shall not be subject to penalty if such required reliability action is implemented by the Balancing Authority less than 30 minutes prior to the start of the Scheduling Hour in which the mismatch occurs.

3.3.4 Unless otherwise mutually agreed, all Tacoma preschedule SOER E-Tags will be submitted according to NERC instructions and deadlines for E-Tagging, as specified or modified by the Balancing Authority and WECC.

4. CUSTOMER INPUT AND BOS FLEX SUBMISSION DEADLINE

Tacoma shall have until 0800 hours Pacific Prevailing Time on each Slice Scheduling Day to submit revised Customer Inputs and BOS Flex requests for each Slice Operating Day, pursuant to section 7 of Exhibit L.

5. SCHEDULING OF DEDICATED RESOURCES AND CONSUMER-OWNED RESOURCES SERVING ON-SITE CONSUMER LOAD

No later than ten calendar days following the end of each month, Tacoma shall provide to Power Services all E-Tags that were created or modified during the previous month in association with the delivery of Tacoma's Dedicated Resources and Consumer-Owned Resources Serving On-Site Consumer Load, if any, listed in sections 2, 3, 4 or 7.1 of Exhibit A.

Consistent with section 3 of Exhibit J, BPA shall develop RSS products to support eligible Specified Resources listed in section 2 of Exhibit A and make RSS available starting in FY 2029. Such development shall include scheduling requirements for RSS. BPA shall offer RSS contract provisions as a revision to Exhibit J and this exhibit by July 31, 2026.

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

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

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

6. FEES

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

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

City of Tacoma, Department of
Public Utilities, Light Division
3628 S. 35th St.
PO Box 11007
Tacoma, WA 98409-3192
Attn: Ray Johnson
Deputy General Manager
Phone: (253) 306-0149
E-Mail: crjohnson@tacoma.gov

Additional Tacoma Contact:

City of Tacoma, Department of
Public Utilities, Light Division
3628 S. 35th St.
PO Box 11007
Tacoma, WA 98409-3192
Attn: Leah Marquez-Glynn
Assistant Power Manager
Phone: (253) 345-1688
E-Mail: marquezglynn@tacoma.gov

If to BPA:

Bonneville Power Administration
915 2nd Ave. Suite 3360
Seattle, WA 98174-3360
Attn: Kathryn Patton –
PSW/Seattle
Account Executive
Phone: (206) 220-6785
E-Mail: kbpattson@bpa.gov

Additional BPA Contact:

Bonneville Power Administration
905 NE 11th Ave.
PO Box 3621
Portland, OR 97208-3621
Attn: Scott K. Wilson – PWS/6
Western Power
Customer Services Manager
Phone: (503) 230-7638
E-Mail: skwilson@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 Tacoma:

Function: Prescheduling Supervisor –
Ken Shaffer
Phone: (253) 325-1844
E-Mail: kshaffer@tacoma.gov

Function: Real-Time Energy Trading
Phone: (253) 502-8500
E-Mail: realtrad@tacoma.gov

Function: Slice Group
Email: xdl-pm-BPASliceNotifications-
All@cityoftacoma.org

Or another mutually agreed upon
form of notification.

If to BPA:

Preschedule
E-Mail: PBLPresched@bpa.gov

Real Time: See E-Tag for contact

Slice operational contacts

Slice Group
Phone: (503) 230-3130
E-Mail: SliceSupport@bpa.gov

Slice Desk
Phone: (503) 230-5502

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.

(PSW/POC/TP_25090_20250930_Exh I_final.docx) 09/30/2025

Exhibit J
SUPPORT SERVICES; ADDITIONAL RESOURCE AND ENERGY STORAGE
DEVICE REQUIREMENTS

1. CUSTOMER RESOURCE ELECTIONS SUMMARY

Elected Services by Resource		
Resource Name	Applied to Tier 1 Allowance Amount	RSS Elections

2. TIER 1 ALLOWANCE AMOUNT

Tacoma'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 Tacoma'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 sections 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 or services to firm up 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 Tacoma a reasonable opportunity to provide input into the development or refinement Support Services and the related contract provisions. RSS shall only be available to Tacoma to support renewable resources that are New Resources used to serve Total Retail Load that are added after September 30, 2023. BPA shall make RSS and other Support Services available starting in FY 2029.

- 3.2 If Tacoma adds an eligible 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 Tacoma may purchase RSS or a

combination of RSS and other Support Services from BPA to support such resource.

4. THIS SECTION INTENTIONALLY LEFT BLANK

5. WRAP PASS-THROUGH CHARGES

Pursuant to section 22.1.2 of the body of this Agreement, Tacoma may pass through WRAP charges to BPA in instances where the charge is related to one or more of the following: (1) non-performance of the FCRPS as planned under this Agreement, or (2) failure by BPA to meet the requirements of section 22.1.1 of the body of this Agreement. Upon request, Tacoma shall provide supporting documentation related to any pass through of charges under this section pursuant to section 17 of the body of this Agreement.

Any pass through of charges to BPA associated with this section shall be included as a one-time credit on Tacoma's monthly bill.

If BPA finds that only a portion of such WRAP charge is related to one of the conditions above, then BPA shall only credit Tacoma for the portion of the WRAP charge related to such conditions. BPA shall not be responsible for charges that are related to the failure of third party-provided Support Services.

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

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

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

7. REVISIONS

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

(PSW/POC/TP_25090_20250912_Exh J_final docx) 09/12/2025

**Exhibit K
ANNUAL SLICE PERCENTAGE AND FIRM SLICE AMOUNTS**

1. ANNUAL SLICE PERCENTAGE

By March 31 concurrent with BPA's calculation of Tacoma's Net Requirement pursuant to section 1 of Exhibit A, BPA shall enter Tacoma's formula inputs and Slice Percentage, calculated pursuant to section 5.3 of this Agreement, into the table below.

Fiscal Year	TRL forecast (aMW)	Existing Resources (aMW)	NLSL (aMW)	Tier 1 Allowance Amount (aMW)	Customer CHWM (aMW)	Annual CHWM System (aMW)	Slice Percentage (percent value)	Slice Percentage (decimal value)
FY 2029							xx.xxxxx %	(0.xxxxxx)
FY 2030							xx.xxxxx %	(0.xxxxxx)
FY 2031							xx.xxxxx %	(0.xxxxxx)
FY 2032							xx.xxxxx %	(0.xxxxxx)
FY 2033							xx.xxxxx %	(0.xxxxxx)
FY 2034							xx.xxxxx %	(0.xxxxxx)
FY 2035							xx.xxxxx %	(0.xxxxxx)
FY 2036							xx.xxxxx %	(0.xxxxxx)
FY 2037							xx.xxxxx %	(0.xxxxxx)
FY 2038							xx.xxxxx %	(0.xxxxxx)
FY 2039							xx.xxxxx %	(0.xxxxxx)
FY 2040							xx.xxxxx %	(0.xxxxxx)
FY 2041							xx.xxxxx %	(0.xxxxxx)
FY 2042							xx.xxxxx %	(0.xxxxxx)
FY 2043							xx.xxxxx %	(0.xxxxxx)
FY 2044							xx.xxxxx %	(0.xxxxxx)

2. CHWM SYSTEM

By March 31 concurrent with BPA's calculation of Tacoma's Net Requirement pursuant to section 1 of Exhibit A, BPA shall update the table below with the CHWM System monthly Average Megawatts. The CHWM System is an input in the calculation of Tacoma's Firm Slice Amount pursuant to section 5.4 of this Agreement.

CHWM System (aMW)													annual aMW
	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													

Note: Fill in the table above with Average Megawatt values rounded to a whole number xxx decimal places.

3. FIRM SLICE AMOUNT

By March 31 concurrent with BPA's calculation of Tacoma's Net Requirement pursuant to section 1 of Exhibit A, BPA shall update the table below with Tacoma's Firm Slice Amount calculated pursuant to section 5.4 of this Agreement.

Firm Slice Amount													annual aMW
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Fiscal Year 2029													
Energy (aMW)													
Energy (MWh)													
Fiscal Year 2030													
Energy (aMW)													
Energy (MWh)													
Fiscal Year 2031													
Energy (aMW)													
Energy (MWh)													
Fiscal Year 2032													
Energy (aMW)													
Energy (MWh)													
Fiscal Year 2033													
Energy (MWh)													
Energy (MW)													
Fiscal Year 2034													
Energy (MWh)													
Energy (MW)													
Fiscal Year 2035													
Energy (aMW)													
Energy (MWh)													

Firm Slice Amount													annual aMW
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Fiscal Year 2036													
Energy (aMW)													
Energy (MWh)													
Fiscal Year 2037													
Energy (aMW)													
Energy (MWh)													
Fiscal Year 2038													
Energy (aMW)													
Energy (MWh)													
Fiscal Year 2039													
Energy (aMW)													
Energy (MWh)													
Fiscal Year 2040													
Energy (aMW)													
Energy (MWh)													
Fiscal Year 2041													
Energy (aMW)													
Energy (MWh)													
Fiscal Year 2042													
Energy (aMW)													
Energy (MWh)													
Fiscal Year 2043													
Energy (aMW)													
Energy (MWh)													
Fiscal Year 2044													
Energy (aMW)													
Energy (MWh)													

Note: Fill in the table above with megawatt-hour values rounded to a whole number, and Average Megawatt values rounded to three decimal places.

4. REVISIONS

BPA shall unilaterally revise the tables in sections 1, 2 and 3 of this Exhibit K for each Fiscal Year in accordance with the terms of this Exhibit K. All other changes to this Exhibit K will be made by mutual agreement of the Parties.

(PSW/POC/TP_25090_20250923_Exh K_final.docx) 09/23/2025

Exhibit L
PROVIDER OF CHOICE SLICE APPLICATION

1. PROVIDER OF CHOICE SLICE APPLICATION – GENERAL DESCRIPTION

The Provider of Choice Slice Application (POCSA) is a proprietary BPA computer application developed and maintained by BPA in consultation with Tacoma and other Slice Operations Forum (SOF) members. The POCSA consists of the Slice Water Routing Simulator, the Balance of System Module, the Default User Interface, and other related processes used for scheduling, tagging, and accounting of Slice Output and communication of information, all as described below.

The POCSA calculates the Slice Output Energy amount that BPA makes available to Tacoma in each Scheduling Hour. The total amount of Slice Output Energy in each Scheduling Hour is comprised of the results of the Simulator and the BOS Module, as set forth in section 7 of this exhibit. Tacoma shall use the POCSA on a day-ahead timeframe to submit Customer Inputs and BOS Flex Requests to BPA for each Scheduling Hour in the next Slice Operating Day, pursuant to section 4 of Exhibit F.

2. DEFINITIONS

The following definitions apply only to this Exhibit L.

- 2.1 “Algorithm Tuning Parameters” means factors, coefficients, or variables that are embedded within Simulator algorithms or formulas and are adjusted by Power Services as needed to appropriately implement provisions of this Agreement.
- 2.2 “Bypass Spill” means Spill that occurs at a hydroelectric project associated with lock operations, leakage and fish bypass systems.
- 2.3 “Forced Spill” means Spill other than Bypass Spill, Elective Spill, or Fish Spill that occurs at a hydroelectric project and is unavoidable in order to operate the project within applicable Operating Constraints.
- 2.4 “Incremental Side Flows” means the portion of a hydroelectric project’s natural inflow that enters the river on which the project is located between that project and the next-upstream project.
- 2.5 “Logic Control Parameters” means flags or toggles that are embedded within the POCSA logic and are set by Power Services as needed to appropriately implement provisions of this Agreement.
- 2.6 “Simulator Initialization Time” means the date and time that represents the beginning of the first one-hour period of the Simulator Modeling Period.
- 2.7 “Simulator Modeling Period” means the variable time period represented by the Simulator output, including between 216 and 241 one-hour time periods, as described in section 3.1.2 of this exhibit.

3. SLICE WATER ROUTING SIMULATOR

3.1 General Description

The Simulator is designed to determine Tacoma’s potential range of available Simulated Output Energy Schedules and SOE Limits associated with the Simulator Projects. Tacoma shall utilize the Simulator to simulate the routing of available stream flow through the Simulator Projects in compliance with established Simulator Parameters. Power Services is responsible for establishing and managing Simulator Parameters within the Simulator, pursuant to section 3.2 of this exhibit, and Tacoma is responsible for establishing and managing Customer Inputs within the Simulator, pursuant to section 3.3 of this exhibit.

3.1.1 Tacoma shall have access to the Simulator for the purpose of running various Simulated Operating Scenarios.

3.1.2 The Simulator produces Simulated Operating Scenarios in one-hour time periods for no less than 216 hours and no more than 241 hours depending upon the Simulator Initialization Time.

The one-hour time periods used in the Simulated Operating Scenarios shall begin with the first hour of the day following the most recent operating day that Tacoma submitted Customer Inputs pursuant to section 4 of Exhibit F.

3.1.3 The Simulator incorporates approximate hydraulic time lags between Simulator Projects.

3.1.4 The Simulator reflects the application of all Operating Constraints in effect for each Simulator Project, including compliance with Operating Constraints in effect at downstream projects.

3.1.5 The Simulator calculates simulated inflows to Grand Coulee based upon forecast (or measured when available) discharges from upstream projects plus forecast Incremental Side Flows between those projects and Grand Coulee, as adjusted for forecast Banks Lake irrigation pumping flows.

3.1.6 The Simulator calculates the simulated Grand Coulee discharge, generation, and forebay elevation based on Tacoma’s Customer Inputs. Such computed discharge is used to establish Tacoma’s simulated Chief Joseph inflow, given appropriate time lags, and as adjusted for forecast Chief Joseph Incremental Side Flows.

3.1.7 The Simulator calculates simulated inflows to McNary based upon forecast (or measured when available) discharges from Priest Rapids and Ice Harbor after considering approximate hydraulic time lags between those projects and McNary, as adjusted for forecast McNary Incremental Side Flows. The Simulator also incorporates Tacoma’s

Hydraulic Link Adjustment, pursuant to section 3.7 of this exhibit, into Tacoma's simulated McNary inflow.

- 3.1.8 The Simulator calculates the simulated McNary discharge, generation, and forebay elevation based on Tacoma's Customer Inputs. Such calculated discharge is used to establish Tacoma's simulated John Day inflow, given appropriate time lags, and as adjusted for forecast John Day Incremental Side Flows.
- 3.1.9 The Simulator calculates the simulated discharge, generation and forebay elevations for John Day, The Dalles and Bonneville, as well as simulated inflows into The Dalles and Bonneville for Tacoma, in the manner described in section 3.1.8 above.
- 3.1.10 The Simulator does not accept aggregated Customer Inputs for the Lower Columbia Complex or the Coulee-Chief Complex. Tacoma may develop aggregated Customer Inputs for use in its in-house processes but must translate such aggregated Customer Inputs into individual Customer Inputs for each Simulator Project to enable the POCSA to validate Tacoma's simulated operation of individual Simulator Projects against Operating Constraints.

3.2 Simulator Parameters

BPA shall monitor and update the Simulator Parameters, as specified in this section 3.2, applicable to each Simulator Project to reflect: (1) Operating Constraints in effect or to take effect at the actual Tier 1 System Resource, and (2) forecast system conditions used by BPA in the operation of the Tier 1 System Resources, for the entire Simulator Modeling Period. BPA shall designate each Operating Constraint established as a Simulator Parameter as either an Absolute Operating Constraint, a Hard Operating Constraint, or a Soft Operating Constraint. BPA shall notify Slice Customers of any Absolute Operating Constraint or Hard Operating Constraint that cannot be modelled in the POCSA. The simulated operating capability available from the Simulator Projects as affected by the Simulator Parameters shall reasonably represent the actual operating capability available from the Tier 1 System Resources that comprise the Simulator Projects as affected by the associated Operating Constraints. To the maximum extent practicable, BPA shall monitor the operating conditions that affect the Simulator Projects and shall revise the Simulator Parameters as necessary to reflect changes.

- 3.2.1 BPA shall update the Simulator Parameters applicable to each Scheduling Hour in the Simulator Modeling Period no later than three hours prior to the Customer Inputs submission deadline in section 4 of Exhibit F on each calendar day. BPA shall have the right to revise Simulator Parameters applicable to each Scheduling Hour up to 75 minutes prior to the Customer Inputs submission deadline in section 4 of Exhibit F.

3.2.2 The Simulator Parameters shall include:

- (1) Hourly regulated inflows (Grand Coulee and McNary only);
- (2) Hourly Incremental Side Flows;
- (3) Initial forebay elevations;
- (4) Water to energy conversion factors (H/ks);
- (5) Content to elevation conversion tables;
- (6) Project turbine capacities;
- (7) Spill limitations and requirements, including Bypass Spill quantities;
- (8) Generation limitations and requirements;
- (9) Discharge limitations and requirements as needed to meet both discharge and tailwater elevation requirements;
- (10) Forebay limitations and requirements;
- (11) System wide requirements that affect the Simulator Projects (e.g. Vernita Bar, chum spawning, or Operating Reserves);
- (12) Algorithm Tuning Parameters;
- (13) Logic Control Parameters that affect the Simulator Projects (e.g. CGS Displacement election, PSB enforcement flag, etc.); and
- (14) Simulator Parameters as implemented pursuant to section 5.12 of the body of this Agreement and included in the specification manual described in section 3.5.1 of this exhibit.

3.3 Customer Inputs and Use of the Simulator

Tacoma shall be responsible for accessing the Simulator and submitting at least one Customer Input for each of the Simulator Projects for each one-hour time period for the entire Simulator Modeling Period. Tacoma is required to submit Customer Inputs to the Simulator separately from all other Slice Customers' Customer Inputs.

3.3.1 Customer Inputs shall include:

- (1) Generation requests;
- (2) Elevation requests;

- (3) Discharge requests; and,
 - (4) Customer Inputs as implemented pursuant to section 5.12 of the body of this Agreement and included in the specification manual described in section 3.5.1 of this exhibit.
- 3.3.2 Customer Inputs shall be stated in terms of whole project capability rather than Tacoma's Slice Percentage of project capability.
- 3.3.3 The Simulator shall apply a fixed prioritization of Customer Inputs among generation, elevation, and discharge requests.
- 3.3.4 The Simulator shall process Tacoma's Customer Inputs to determine a Simulated Operating Scenario. The simulated generation values resulting from each Simulated Operating Scenario shall represent Tacoma's potential Simulated Output Energy Schedules. Simulated Output Energy Schedules are not considered schedules for power delivery.
- 3.3.5 For each Simulated Operating Scenario the POCSA will provide Tacoma with a report stating for each Simulator Project: (1) the resulting simulated generation, discharge and elevation values, (2) which, if any, Absolute or Hard Operating Constraints limited the Simulated Operating Scenario, and (3) which, if any, Absolute or Hard Operating Constraints were violated.
- 3.3.6 If Tacoma submits Customer Inputs for a Simulated Operating Scenario that would otherwise result in violations of one or more Absolute or Hard Operating Constraints, the Simulator shall, to the extent possible, establish a Simulated Operating Scenario that conforms to the Absolute or Hard Operating Constraints. In such event, Tacoma shall elect to either cancel the submission of its Customer Inputs or accept the results of the Simulated Operating Scenario. Tacoma shall contact the Power Services duty scheduler on shift no earlier than three hours prior to the Customer Inputs submission deadline in section 4 of Exhibit F and no later than thirty minutes prior to the Customer Inputs submission deadline to request shielding from Simulated Operating Scenario constraint violations for the next Slice Operating Day. Shielding eliminates the energy reduction at the Simulator Project where the constraint violation occurred. The Power Services duty scheduler on shift or other position designated by BPA shall have the sole discretion to approve or deny shielding requests. Shielding requests will not be approved by BPA after the fact. Tacoma shall resubmit a final feasible Simulated Operating Scenario for such shielding to take place.
- 3.3.7 Tacoma shall have the right to modify and submit its Customer Inputs for each Scheduling Hour included in the next Slice Operating Day

prior to the Customer Inputs submission deadline in section 4 of Exhibit F.

The Simulator will process the last submitted Customer Inputs after the Customer Inputs submission deadline to calculate Tacoma's final Simulated Operating Scenario and associated final Simulated Output Energy Schedules. The final Simulated Operating Scenario and final Simulated Output Energy Schedules are inputs to the calculation of Tacoma's Slice Output Energy Request (SOER), pursuant to section 7 of this exhibit, applicable to each Scheduling Hour in the next operating day.

- 3.3.8 For the Customer Inputs listed in section 3.3.1 of this exhibit, Tacoma shall produce and submit to BPA at least one preliminary and one final Simulated Operating Scenario. Tacoma final Simulated Operating Scenario shall demonstrate that all Simulator Projects are in compliance with all applicable Operating Constraints for the duration of the Simulator Modeling Period. Tacoma shall produce and submit a preliminary Simulated Operating Scenario to BPA no earlier than 17 hours prior to the Customer Inputs submission deadline in section 4 of Exhibit F and no later than four hours prior to the Customer Inputs submission deadline. The preliminary Simulated Operating Scenario shall demonstrate that all Simulator Projects are at a minimum in compliance with all applicable Operating Constraints for the duration of the next Slice Operating Day that Tacoma is preparing to submit Customer Inputs for. Tacoma shall produce and submit the final Simulated Operating Scenario to BPA no later than the Customer Input submission deadline in section 4 of Exhibit F. If Tacoma does not submit a final Simulated Operating Scenario to BPA that complies with the requirements of this section 3.3, then Tacoma's preliminary Simulated Operating Scenario shall become its final Simulated Operating Scenario for the applicable time period. BPA may suspend this requirement during periods when BPA determines Tacoma is not able to comply due to conflicting Operating Constraints.

3.4 Simulator Output

Based on the Simulator Parameters and Customer Inputs in effect, the Simulator produces the following results for each one-hour time period for the entire Simulator Modeling Period:

- 3.4.1 Tacoma's potential Simulated Output Energy Schedules (simulated generation), simulated discharge, and simulated forebay elevation associated with each Simulator Project.
- 3.4.2 A list of Customer Inputs that resulted in violation of Operating Constraints within the Simulated Operating Scenario, pursuant to section 3.3.6 of this exhibit, or that were not achieved by the Simulator, for each Simulator Project.

3.4.3 A list of Operating Constraints that were violated within Tacoma's simulated operation for each Simulator Project.

3.4.4 An explanation for each occurrence listed pursuant to sections 3.4.2 and 3.4.3 of this exhibit.

3.4.5 Tacoma's Hydraulic Link Adjustment amounts as established pursuant to section 3.7 of this exhibit.

3.5 Simulator Documentation, Performance Test, and Accuracy

3.5.1 Simulator Documentation

BPA, with Tacoma's input, shall develop an updated Slice Water Routing Simulator (SWRS) manual with specifications describing the Simulator computations, processes and algorithms. The SWRS manual contents shall be established by the SOF.

3.5.2 Simulator Performance Test

BPA shall conduct the Simulator Performance Test specified in this section 3.5.2 of this exhibit, and as required pursuant to section 5.9.4 of the body of this Agreement and section 3.5.3.2 of this exhibit.

3.5.2.1 Storage Content Test

Using actual stream flows (including calculated Incremental Side Flows), operating constraints, initial monthly Simulator Project forebay elevations, and Simulator Project discharges for the months of January through September 2025 as input parameters, BPA shall produce Simulated Operating Scenarios for each month of that period. BPA shall calculate the hourly Storage Content difference for each Simulator Project as the difference between the simulated Storage Content and the actual Storage Content for each such Simulator Project for each hour of the test period. For each month of the test period, a Simulator Project will have passed the Storage Content test if: (1) the hourly Storage Content difference is greater than the Storage Content value contained in column A of the table below on no more than four percent of the hours in the month; and, (2) no hourly Storage Content difference during the month is greater than the lesser of (A) the Storage Content value contained in column B of the table below or (B) one-half of the applicable monthly available Storage Content. If a Simulator Project fails either of these tests for a month, then such Simulator Project will have failed the Storage Content test for such month.

Simulator Project	Column A	Column B
Grand Coulee	5 ksfd	15 ksfd
Chief Joseph	5 ksfd	11.5 ksfd
McNary	5 ksfd	15 ksfd
John Day	5 ksfd	15 ksfd
The Dalles	5 ksfd	12.5 ksfd
Bonneville	5 ksfd	15 ksfd

The overall Storage Content test will be deemed to have failed if one or more of the following occurs:

- (1) Grand Coulee fails the test in one or more of the nine months;
- (2) More than 25 percent of the 54 monthly tests fail;
- (3) Four or more Simulator Projects fail the test in any single month; or
- (4) Any of the Simulator Projects fail the test in all 9 months.

3.5.2.2 Energy Test

Using actual stream flows (including calculated Incremental Side Flows), operating constraints, initial monthly Simulator Project forebay elevations, Simulator Project discharge values, and Simulator Project H/ks (for the months of January through September 2025) as input parameters, BPA shall produce Simulated Operating Scenarios for each month of that period. BPA shall calculate the daily and monthly differences between the simulated generation and actual generation for each Simulator Project. For each month of the test period, a Simulator Project will have passed the energy test if: (1) for each day of the month the daily generation difference is no greater than five percent of the associated Simulator Project's actual daily generation; and, (2) the monthly generation difference is no greater than three percent of the associated Simulator Project's actual monthly generation. The overall energy test will be deemed to have failed if one or more of the following occurs:

- (1) Grand Coulee fails the test in one or more of the 9 months;
- (2) More than 25 percent of the 54 monthly tests fail;
- (3) Four or more Simulator Projects fail the monthly test in any single month; or

- (4) Any of the Simulator Projects fail the test in all 9 months.

3.5.2.3 Peaking Test

BPA shall produce a separate Simulated Operating Scenario as specified below, for the hottest consecutive 3-day period and the coldest consecutive 3-day period that occurred during the period January through September 2025

The 3-day test periods shall be determined by BPA based on the weighted-average temperatures for three major load centers: Portland, Seattle, and Spokane. The weighted-average temperatures for these load centers will be determined as follows:

- (1) Each city's daily maximum and daily minimum temperature will be averaged;
- (2) The resulting day-average temperature from each city will be weighted by applying load center percentage weightings, which will be determined by BPA and will sum to 100 percent for the three cities; and
- (3) The resulting weighted day-average temperatures for each city will then be combined to determine each day's weighted-average load center temperature.

The daily weighted-average load center temperatures will be averaged for each consecutive 3-day period for the January 2025 through September 2025 period. The lowest such average will establish the coldest 3-day period, and the highest such average will establish the hottest 3-day period.

The Simulated Operating Scenarios will be developed using actual stream flows (including calculated Incremental Side Flows), operating constraints, and initial Simulator Project forebay elevations from the 3-day test periods as input parameters. Each Simulator Project's hourly generation request will be set equal to such Simulator Project's actual generation value from the representative test periods. BPA will compare each of the Simulator Project's simulated hourly generation values to such Simulator Project's actual hourly generation values for each of the six peak hours on any of the test days. The six peak hours shall be established as the six hours with the largest combined actual Simulator Project generation each day. The peaking test will be deemed to have failed if either of the following occurs:

- (1) The Simulator Projects' combined simulated generation value deviates from the Simulator Projects' combined actual generation value by more than 200 aMW over the six peak hours on any of the test days; or
- (2) The Simulator Projects' combined simulated generation value deviates from the Simulator Projects' combined actual generation value by more than 400 MW on any of the six peak hours on any of the test days.

3.5.2.4 Ramp Down Test

Using actual stream flows (including calculated Incremental Side Flows), operating constraints, initial Simulator Project forebay elevations, and Simulator Project generation values from the dates specified below as input parameters, BPA shall develop a separate Simulated Operating Scenario for each specified date. BPA shall calculate the difference between the simulated Grand Coulee generation change and the actual Grand Coulee generation change for each two consecutive hours between Scheduling Hour 20 and Scheduling Hour 02 for each study day. The ramp down test will be deemed to have failed if one or more of the following occurs:

- (1) The difference between the simulated and actual Grand Coulee generation change is greater than 300 MW on any two consecutive hours between Scheduling Hour 20 and Scheduling Hour 02, on any ramp down test date.
- (2) The average difference between the simulated and actual Grand Coulee generation change is greater than 100 MW for each two consecutive hours between Scheduling Hour 20 and Scheduling Hour 02 on any ramp down test date.
- (3) BPA shall determine the ramp down test dates and provide such dates to Tacoma no later than October 31, 2027.

3.5.2.5 Changes to Simulator Performance Test Criteria

If the Simulator Performance Test fails, and after BPA discusses the results of the test with Tacoma, and the Parties agree the test criteria is unreasonable, inappropriate, or unattainable, then the Parties may mutually agree to either deem the Simulator Performance Test as having passed, or alter the test criteria prior to conducting subsequent Simulator Performance Tests.

3.5.3 Simulator Accuracy

Tacoma and BPA acknowledge that model errors are inevitable. No cumulative accounting of model error impacts shall be required or established.

3.5.3.1 To minimize such errors BPA shall ensure Simulator Parameters established for the Simulator reasonably reflect the expected values for forecasted inflows and Operating Constraints and that the Simulator reasonably represents the operational attributes of the Simulator Projects. BPA shall develop a process to account and correct for differences between forecasted and measured inflows and H/k values reflected in the Simulator in an effort to minimize cumulative deviations. Tacoma shall accept such inputs and corrections, and shall ensure that Customer Inputs established for the Simulator reasonably reflect Tacoma's intended use of hourly scheduling flexibility within the established SOE Limits.

3.5.3.2 As an ongoing check of the Simulator's accuracy, BPA shall run a retrospective Simulator Performance Test, as described in section 3.5.2 of this exhibit, after major changes to the Simulator have occurred, at BPA discretion. The Simulator accuracy criteria for each Simulator Performance Test shall be set equal to actual Simulator accuracy associated with the preceding Simulator Performance Test results, unless the Parties agree otherwise through the SOF process. The test criteria for each Simulator Performance Test may be modified as agreed by the Parties through the SOF process pursuant to section 5 in the body of this Agreement. BPA shall provide the results of each such test to Tacoma within a reasonable timeframe.

3.5.3.3 If any Simulator Performance Test results are not within the accuracy criteria established pursuant to section 3.5.3.2 of this exhibit, BPA, in consultation with Tacoma and other members of the SOF, shall make a plan to promptly implement modifications necessary to bring the Simulator output in compliance with such accuracy criteria pursuant to section 5.12 of this Agreement.

3.5.4 Documentation of Simulator Updates, Upgrades, or Replacements and Required Actions

At least 30 calendar days prior to BPA implementing any major updates, upgrades, or replacements to the Simulator, the Simulator specifications manual described in section 3.5.1 of this exhibit shall be revised by BPA, with Tacoma's input, and distributed to Tacoma's SOF representative. Within such 30 day period Tacoma shall test its systems and provide sufficient training to its staff to allow it to

prudently manage the changes resulting from the updates, upgrades, or replacements.

3.6 Forecasted H/k, Corrected H/k, Bypass Spill, and Fish Spill

3.6.1 The POCSA shall automatically calculate forecasted H/k values for each Simulator Project for use as H/k Simulator Parameters. Forecasted H/k values shall be calculated using observed turbine discharge and gross generation amounts associated with the most recent contiguous periods that include hours ending 2300 through 0600 and hours ending 0700 through 2200, separately. The forecast H/k values shall be applied to all hours of each future, like, contiguous period within the Simulator Modeling Period. Such applied forecasted H/k values shall be adjusted for each Scheduling Hour based upon the ratio of Tacoma's hourly simulated head associated with the prior Scheduling Hour and the observed head associated with the applicable observed contiguous period.

3.6.2 The POCSA shall automatically calculate observed hourly H/k values for each Simulator Project for use in deviation accounting. Observed hourly H/k values shall be based on observed turbine discharge and gross generation amounts for each hour and shall be adjusted based upon the ratio of Tacoma's simulated head and the observed head for each hour. Observed hourly H/k values shall be applied to Tacoma's final simulated turbine discharge values associated with the same hour to determine corrected SOER amounts and H/k correction return amounts (Tacoma's Slice Percentage of the corrected SOER minus Tacoma's Slice Percentage of the final SOER). The sum of Tacoma's H/k correction return amounts for each hour shall be applied to Tacoma's SOER for the Scheduling Hour that occurs 168 hours after the applicable observed hour.

3.6.3 The POCSA shall automatically apply forecasted Bypass Spill amounts to Tacoma's simulations for the entire Simulation Modeling Period. The POCSA shall calculate hourly observed Bypass Spill amounts as soon as practicable following each hour. Such hourly observed Bypass Spill amounts shall replace the forecasted Bypass Spill amounts for the Scheduling Hour that occurs 24 hours after the applicable observed hour.

3.7 Calculation and Application of the Hydraulic Link Adjustment

3.7.1 Tacoma's Hydraulic Link Adjustment values shall be determined for each hour of this Agreement, beginning October 1, 2028.

3.7.2 Tacoma's Hydraulic Link Adjustment values shall be equal to Tacoma's Chief Joseph simulated discharge for each hour, minus the Chief Joseph measured discharge for the same hour.

- 3.7.3 Tacoma's Hydraulic Link Adjustment values shall be applied as a component of Tacoma's simulated inflow to McNary after considering appropriate lag times and smoothing functions.

4. BALANCE OF SYSTEM (BOS) MODULE

The BOS Module calculates: (1) the BOS Base amounts, (2) the BOS Flex amounts, and (3) Tacoma's BOS Deviation Return amounts, all as specified below.

4.1 BOS Base Amount

Consistent with the following provisions, the BOS Base amount shall be determined by Power Services and provided to Tacoma.

- 4.1.1 The BOS Base amount, for each Scheduling Hour, shall be equal to the sum of: (1) BPA's latest planned or scheduled generation amounts associated with the BOS Complex projects, (2) the amount of Elective Spill BPA implements on the BOS Complex projects, (3) the amount of CHWM Modeled Augmentation, and (4) the forecast amount of energy associated with Designated System Obligations. Energy associated with CHWM Modeled Augmentation included in the BOS Base amount shall be applied in equal amounts each hour of each Fiscal Year.
- 4.1.2 Tacoma's hourly BOS Base schedules shall be equal to the hourly BOS Base amounts multiplied by Tacoma's Slice Percentage.
- 4.1.3 BPA shall have the right to revise BOS Base amounts to reflect changes in items listed in sections 4.1.1(1) through 4.1.1(4) affecting each Scheduling Hour up to 75 minutes prior to the Customer Inputs submission deadline in section 4 of Exhibit F.

4.2 BOS Flex Amount

Consistent with the following provisions, the BOS Flex amount shall be determined by BPA and made available to Tacoma on an as-available basis.

- 4.2.1 The BOS Module will: (1) determine if there is sufficient flexibility to reshape the hourly generation associated with the Lower Snake Complex that is included in the BOS Base amount, and if so, (2) provide as output the resulting amount by which the BOS Base amount can be increased or decreased on any given hour. The BOS Module will specify the BOS Flex amounts that are available for the current calendar day and the subsequent calendar day.
- 4.2.2 Such BOS Flex amounts shall reflect, in the judgment of BPA, the amount by which the BOS Base amount can reasonably be reshaped using the flexibility available in the Lower Snake Complex, taking into account the Operating Constraints and stream flow conditions.
- 4.2.3 Tacoma shall determine its planned hourly use of the BOS Flex and submit to BPA, positive and negative hourly BOS Flex schedules that

sum to zero for each day. A positive hourly BOS Flex schedule shall reflect an increase relative to the BOS Base amount and a negative hourly BOS Flex schedule shall reflect a decrease relative to the BOS Base amount.

- 4.2.4 Tacoma shall update its hourly BOS Flex schedules to comply with revised BOS Flex amounts.

- 4.2.5 The BOS Flex available to Tacoma shall be equal to the BOS Flex amounts determined pursuant to this section 4.2 multiplied by Tacoma's Slice Percentage.

- 4.2.6 If Tacoma determines it has a significant risk of not meeting its firm load service at any time, then Tacoma may request that BPA assess the ability to modify the established BOS Flex amounts within applicable Operating Constraints. If BPA, as time permits and in its sole discretion, alters such BOS Flex amounts, then such updated values shall apply to all Slice Customers. Tacoma acknowledges that such assessment by BPA may result in an increase, decrease or no change to any of the remaining hourly BOS Flex amounts.

- 4.2.7 BPA shall have the right to revise BOS Flex amounts to reflect changes in items listed in sections 4.2.1(1) and 4.2.1(2) and section 4.2.6 affecting each Scheduling Hour up to 75 minutes prior to Customer Inputs submission deadline in section 4 of Exhibit F.

4.3 BOS Deviation Return Amounts

The BOS Module will calculate and establish Tacoma's BOS Deviation Return amounts as established in section 4.2.1 of Exhibit M.

4.4 Total BOS Amounts

Tacoma's total BOS amount shall be equal to the sum the following components:

- (1) the BOS Base schedule as established pursuant to section 4.1 of this exhibit;
- (2) the BOS Flex schedule as established pursuant to section 4.2 of this exhibit; and
- (3) the BOS Deviation Return amount described in section 4.3 of this exhibit.

5. DEFAULT USER INTERFACE AND CUSTOMER FACING INTERFACE

- 5.1 BPA shall maintain a Default User Interface (DUI) and a Customer Facing Interface (CFI) for Tacoma to access the POCSA. Tacoma may utilize the DUI as its primary interface for the POCSA or may use an alternate interface, provided that such alternate interface shall be reviewed and

approved by BPA prior to usage and interfaces with the CFI. Any alternative interface shall be compliant with BPA's system standards and cyber security requirements as determined by BPA. Tacoma shall provide BPA all information, data, and documentation that BPA determines to be necessary for testing and validation of the alternative interface, including but not limited to cyber security requirements. BPA does not guarantee that an alternative interface will be compatible with BPA's systems and requirements, nor does it guarantee that it will be approved for use by Tacoma. If Tacoma's primary interface is not the DUI or CFI, then Tacoma shall maintain back-up functionality through, and staff capability to operate, the DUI or CFI in the event Tacoma's alternate interface is unavailable. The DUI and CFI shall include the functional capabilities listed below:

- (1) Provide Tacoma access to the Simulator for submittal of Customer Inputs and to run Simulated Operating Scenarios.
- (2) Provide Tacoma feedback and reports from the Simulator and BOS Module as set forth in sections 3.4 and 4.2.1 of this exhibit.
- (3) Provide Tacoma input/output displays related to the Simulator and BOS Module.

5.2 Customer Unable to Utilize DUI or CFI

If, as of the POCSA Deployment Date, Tacoma is not functionally ready to access and utilize the DUI or CFI, then beginning on the POCSA Deployment Date and continuing until 30 calendar days after Tacoma provides BPA with written notice that it is functionally ready to utilize the DUI or CFI, then BPA shall use the POCSA to determine Tacoma's hourly SOERs in accordance with the following procedures:

5.2.1 BPA Actions - Customer Inputs

- (1) BPA shall set Tacoma's Customer Inputs (generation requests) for Grand Coulee and Chief Joseph equal to Power Services' planned Grand Coulee and Chief Joseph's respective generation.
- (2) BPA shall set Tacoma's Customer Inputs (elevation requests) for the LCOL Complex projects such that those projects pass inflow on an hourly basis.
- (3) BPA shall set Tacoma's hourly BOS amount equal to Tacoma's Slice Percentage multiplied by the BOS Base amount (no BOS Flex allowed).
- (4) BPA shall communicate Tacoma's SOERs to Tacoma via a mutually agreed upon delivery method as determined by the Parties.

5.2.2 BPA shall revise Tacoma's Customer Inputs applying the same criteria in section 5.2.1 of this exhibit. BPA shall provide Tacoma its revised SOERs, as needed to reflect BPA's latest estimated generation, inflow and BOS Base values no later than one hour prior to the Customer Input submission deadline in section 4 of Exhibit F.

5.2.3 Submission of Electronic Tags

Tacoma shall submit E-Tags to Power Services on a day-ahead timeframe, pursuant to Exhibit F, which shall indicate energy amounts equal to Tacoma's hourly SOERs established under this section 5.2

- (1) If energy amounts indicated on Tacoma's E-Tags are greater than its hourly SOERs, then Tacoma shall receive the electronic tag amounts and shall incur additional charges or penalty charges as established in the Power Rate Schedules and GRSPs, including the Unauthorized Increase Charge, or its successor, for the energy that is in excess of the Slice Output Energy amount.
- (2) If energy amounts indicated on Tacoma's E-Tags are less than its hourly SOERs, then Tacoma shall receive the E-Tag amounts and shall forfeit the remaining Slice Output Energy amount.

5.2.4 SOE Limit Adjustments

Except as described in section 5.2.3, SOE Limit adjustments established in Exhibit M shall not be assessed for the first 90 calendar days that the circumstances described in this section 5.2 are in effect.

6. POCSA REPORTS

- 6.1 As soon as practicable, but no later than 30 minutes past the end of each Scheduling Hour, the POCSA shall provide Tacoma a detailed automated report that specifies: (1) Tacoma's hourly Storage Offset Adjustment (SOA) amounts as defined in section 2.2 of Exhibit M, and as specified in section 4 of Exhibit M, and (2) the after-the-fact Simulator Project data used to calculate hourly SOA amounts. The POCSA shall apply the SOA amounts to each Simulator Project 48 hours after the difference in stream flows occurred.
- 6.2 The POCSA shall provide Tacoma a report that specifies all changes to Simulator Parameters that have been made by BPA between a user specified start date/time and end date/time. The report shall include brief, concise explanatory statements coincidental with significant Simulator Parameter changes.
- 6.3 The POCSA shall provide Tacoma a report that specifies all Prudent Operating Decisions implemented by BPA in the Simulator, between a user-

specified start date/time and end date/time. The report shall include the reason for imposing the Prudent Operating Decision and the manner in which BPA incorporated the Prudent Operating Decision into the Simulator Parameters.

7. SOER FOR EACH SCHEDULING HOUR

Tacoma's SOER in each Scheduling Hour shall be equal to the sum of the following components, rounded to a whole number:

- (1) the sum of Tacoma's final Simulated Output Energy Schedules established in accordance with section 3.3.7 of this exhibit for each of the Simulator Projects multiplied by Tacoma's Slice Percentage;
- (2) Tacoma's total BOS amount, established pursuant to section 4.4 of this exhibit;
- (3) Tacoma's reduction penalty amount established in accordance with section 5.1.4 of Exhibit M, multiplied by -1; and
- (4) Tacoma's H/k correction return established in accordance with section 3.6.2 of this exhibit.

Any revision to Tacoma's SOER shall conform to the requirements of section 3 of Exhibit F and the scheduling deadline in section 4 of Exhibit F.

8. POCSA TEST VERSIONS AND TRIAL PERIODS

- 8.1 BPA shall facilitate at least four week-long POCSA trial periods. During these trial periods, BPA shall maintain and provide Tacoma with access to single test version of the POCSA in a form as near to production status as possible, including the functionality for Tacoma to submit Customer Inputs and run the Simulator to produce Simulated Operating Scenarios and final Simulated Operating Scenarios through the DUI and through the secure network protocols, and to receive results from the submittal processes.
- 8.2 In this test version of the POCSA Tacoma shall have the ability to modify Simulator Parameters. The test version of the POCSA availability shall be no less than 90 percent uptime. The test version of the POCSA shall use production data from the most recent two-year period.
- 8.3 The selection of specific weeks for such trial periods will be coordinated through the SOF, but shall begin no earlier than April 1, 2027 and shall end no later than 14 calendar days prior to the date when the POCSA is revised with the day-ahead functionality on October 1, 2028. Results and feedback of the trial periods will be reported to the SOF at which time any suggestions for improving the SCA, the Simulator, or the processes necessary to support and maintain the POCSA will be discussed and considered by the Parties.

9. REVISIONS

- 9.1 BPA may unilaterally revise the deadline for BPA to update Simulator Parameters in section 3.2.1 of this exhibit as necessary to comply with BPA's obligations as stated in the Western Power Pool Western Resource Adequacy Program tariff, or its successor. BPA shall provide Tacoma notice of the revised deadline in section 3.2.1 at least 60 calendar days prior to the effective date of such revision.
- 9.2 BPA may unilaterally revise Forecasted H/k, Corrected H/k, Bypass Spill, and Fish Spill in section 3.6.1 of this exhibit if such changes are approved by the SOF pursuant to section 5.12 of the body of this Agreement. BPA shall provide Tacoma notice of such revision at least 30 calendar days prior to the effective date of such revision.
- 9.3 All other changes to this Exhibit L will be made by mutual agreement of the Parties.

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Exhibit M
SLICE OPERATING PROCEDURES

1. SLICE OPERATING PROCEDURES – GENERAL DESCRIPTION

The procedures established in this Exhibit M shall be used by BPA and Tacoma in conjunction with Exhibit L to implement deliveries of Slice Output Energy sold to Tacoma under the Slice Product.

2. DEFINITIONS

- 2.1 "Actual Slice Output Energy" or "ASOE" means the actual amount of Tacoma's Slice Output Energy BPA makes available to Tacoma at the Scheduling Points of Receipt.
- 2.2 "Multiyear Hydroregulation Study" means a hydroregulation study that simulates the prospective monthly operation of the Tier 1 System, typically for a 12-month period, given a range of stream flow sequences.
- 2.3 "Slice Purchase Obligation End Date" or "SPOED" means the earlier of (1) 2400 hours Pacific Prevailing Time on September 30, 2044, or (2) the effective date of a conversion to another power product under section 11 of this Agreement, or (3) the date of termination of this Agreement.
- 2.4 "Storage Offset Adjustment" or "SOA" means the hourly difference between forecasted and observed inflows for each Simulator Project that are to be applied 48 hours after its calculation, pursuant to section 4 of this exhibit.

3. DATA PROVIDED BY POWER SERVICES

In addition to information exchanged and provided through provisions of Exhibit L, and to assist Tacoma in managing and planning the use of its Slice Output, BPA shall provide Tacoma the following information.

- 3.1 Tier 1 System operational information pursuant to sections 7, 8 and 9 of this exhibit.
- 3.2 Tacoma's SOA amounts and BOS Deviation Account balance pursuant to section 4 of this exhibit.

4. STORAGE OFFSET ADJUSTMENT AND DEVIATION ACCOUNTING

BPA shall calculate and apply to Tacoma's Provider of Choice Slice Application (POCSA) a separate Storage Offset Adjustment (SOA) for each Simulator Project that represents simulated water deviation accounting 48 hours after the difference in inflow occurred. BPA shall also calculate and apply to Tacoma a BOS Deviation Account balance that represents energy deviation accounting.

- 4.1 Tacoma's SOAs shall be established for each Simulator Project each Scheduling Hour and shall account for the differences between forecasted and observed stream flow values. SOAs shall be applied as adjustments to Tacoma's associated Simulator Project inflows 48 hours after the hour for

which the SOA is calculated. For example, an SOA that is calculated for Grand Coulee for hour 14 shall be applied to Grand Coulee's simulated inflow for Scheduling Hour 14 two calendar days later. BPA shall communicate SOAs to Slice Customers as soon as practicable.

- 4.2 Beginning on October 1, 2028 and ending on Tacoma's SPOED, Tacoma's BOS Deviation Account, expressed in MWh, shall be equal to the sum of (1) the cumulative difference between (A) Tacoma's BOS Base amount for each Scheduling Hour and (B) Actual BOS Generation multiplied by Tacoma's Slice Percentage for each such hour, (2) the mathematical remainder resulting from rounding Tacoma's hourly Slice Output Energy Request (SOER) to whole numbers, and (3) miscellaneous deviation adjustments, such as those related to fish spill discrepancies. Tacoma's BOS Deviation Account balance shall be adjusted based on the following procedures:

- 4.2.1 Beginning on October 1, 2028 and ending on Tacoma's SPOED, when the absolute value of Tacoma's BOS Deviation Account balance, as of 2400 hours Pacific Prevailing Time on any calendar day, is greater than Tacoma's Slice Percentage multiplied by 2400 MWh (Slice Percentage * 2400 MWh), a BOS Deviation Return will be triggered 24 hours later for the next available scheduling day starting at HE 01 Pacific Prevailing Time. When a BOS Deviation Return is triggered, the following shall occur:

- (1) Tacoma's BOS Deviation Account balance shall be adjusted toward zero by an amount equal to Tacoma's Slice Percentage multiplied by 2400 MWh (Slice Percentage * 2400 MWh); and
- (2) BOS Deviation Return amounts shall be applied to Tacoma's total BOS amount, as described in section 4.5 of Exhibit L, for each hour of the next Slice Operating Day that Tacoma is preparing Customer Inputs for submission. For example, if Tacoma's BOS Deviation Account balance associated with 2400 hours on a Monday, as determined the following Tuesday, triggers a BOS Deviation Return, then Tacoma's total BOS amounts for the following Wednesday shall include BOS Deviation Return amounts. BOS Deviation Return amounts shall be rounded to the nearest tenth of a megawatt. BOS Deviation Return amounts shall be applied in equal amounts for each hour of the associated calendar day. Such BOS Deviation Return amounts shall be applied as positive or negative values in accordance with the sign of Tacoma's BOS Deviation Balance that triggers the associated BOS Deviation Return.

- 4.2.2 Each calendar day the POCSA shall calculate the hourly deviation of observed and forecast BOS between hour ending 2300 of the previous day and hour ending 2200 Pacific Prevailing Time of the current day

as well as any observed value that has changed in the previous 45 calendar days. The POCSA will apply this BOS deviation, expressed in MWh, to Tacoma's BOS Deviation Account balance by an amount equal to Tacoma's Slice Percentage multiplied by the BOS deviation calculated for each 45-day period.

- 4.3 Tacoma shall make all reasonable efforts to adjust its Simulated Operating Scenario to make its simulated forebay elevations equal to Power Services' forecasted forebay elevations on Tacoma's SPOED. Any differences between Tacoma's simulated project forebays and the measured project forebays as of the SPOED shall be converted to energy amounts by multiplying such differences (simulated minus actual) by the associated federal downstream H/ks. The resulting energy amounts shall be summed with Tacoma's BOS Deviation Account balance as of one month after the SPOED. The resulting amount of energy, expressed in MWh, if positive, shall be delivered by Power Services to Tacoma, or if negative, delivered by Tacoma to Power Services, within the next 60 calendar days after Tacoma SPOED.

5. OPERATING CONSTRAINT VIOLATIONS AND BOS FLEX VALIDATIONS

5.1 Operating Constraint Violations

The Simulator is designed such that Tacoma's Simulated Operating Scenario maintains compliance with all Hard and Absolute Operating Constraints that BPA can accurately model in the POCSA. BPA shall notify Slice Customers of any Hard or Absolute Operating Constraints that cannot be accurately modeled in the POCSA. Tacoma shall comply with such constraints in its Simulated Operating Scenario. However, BPA and Tacoma recognize there may be occasions where one or more Hard or Absolute Operating Constraints are violated within a Simulated Operating Scenario. In the event the Customer Inputs submitted by Tacoma result in the violation of one or more Hard or Absolute Operating Constraints in a final Simulated Operating Scenario, as established pursuant to section 3.3.7 of Exhibit L, BPA shall establish operating guidelines based upon its determination of how BPA would operate the system under similar conditions, such as operating to a minimum flow constraint, that Tacoma shall follow until such time as Tacoma's final Simulated Operating Scenario is in compliance with all Operating Constraints.

- 5.1.1 Tacoma shall be responsible for monitoring and anticipating potential Operating Constraint violations on a prospective basis and adjusting Customer Inputs as needed to maintain compliance.
- 5.1.2 Hourly Operating Constraint validations and violations associated with the Simulator Projects shall be based on Customer Inputs established by Tacoma in the SCA and submitted to BPA no later than the Customer Inputs submission deadline pursuant to section 4 of Exhibit F.

- 5.1.3 Grand Coulee's Project Storage Bound (PSB) validations and Tacoma's actions for associated violations shall be determined pursuant to section 6 of this exhibit.

- 5.1.4 BPA shall have the right to reduce Tacoma's SOER by up to 100 percent of Tacoma's total Simulated Output Energy Schedule for the Lower Columbia (LCOL) Complex for lower Columbia Simulator Project violations, or the Coulee-Chief Complex for Grand Coulee or Chief Joseph Simulator Project violations, on any Scheduling Hour, taking into account the extent to which BPA determines it would face consequences under similar conditions, subject to the following provisions:

- 5.1.4.1 Only for each Scheduling Hour in which Tacoma's final Simulated Operating Scenarios are in violation of a Hard or Absolute Operating Constraint at one or more Simulator Projects, which includes instances where there is a Soft Constraint of the same value applicable to the same Simulator Project as the Hard or Absolute Operating Constraint that is violated;
- 5.1.4.2 Only to the extent BPA notifies Tacoma, pursuant to section 3.2.1 of Exhibit M, of the reduction at least 75 minutes prior to the Customer Input submission deadline pursuant to section 4 of Exhibit F for the applicable Slice Scheduling Day, and;
- 5.1.4.3 Only to the extent Tacoma fails to remedy the Operating Constraint violation prior to the Customer Input submission deadline pursuant to section 4 of Exhibit F.

5.2 BOS Flex Validations

SOE Limit validations associated with BOS Flex amounts shall be based on Tacoma's BOS Flex requests submitted to BPA as of the BOS Flex submission deadline pursuant to section 4 of Exhibit F. Tacoma's BOS Flex schedules shall be limited to Tacoma's Slice Percentage multiplied by such BOS Flex amounts.

6. GRAND COULEE PROJECT STORAGE BOUNDS

When Grand Coulee's upper or lower PSB is established as either a Soft or Hard Operating Constraint, Tacoma's simulated Grand Coulee forebay elevation shall be validated against such Grand Coulee's PSB at least once each day pursuant to section 3.3.8 of Exhibit M. When Grand Coulee's upper or lower PSB is established as an Absolute Operating Constraint, Tacoma's simulated Grand Coulee forebay elevation shall be validated against such Grand Coulee's PSB in each Shour in each day.

6.1 **Determination of Grand Coulee PSB**

Power Services shall estimate the upper and lower Grand Coulee PSB associated with the end of month requirement, and/or within month requirement, of the following three months as part of each 3-month forecast submitted pursuant to section 8 of this exhibit and shall update such Grand Coulee PSB as conditions change and as needed to reflect updated Operating Constraints. To determine Grand Coulee's PSBs, Power Services shall calculate the Storage Content associated with the Grand Coulee upper and lower ORCs as established by Operating Constraints in effect. Power Services shall apply a Storage Content difference between the upper and lower Grand Coulee PSB equivalent to at least one-half foot at all times except when Grand Coulee is required to fill to 1290.0 feet for verification of refill or another specific elevation. Power Services may specify other conditions under which this one-half foot difference does not apply.

6.2 **Application of the Grand Coulee PSB**

Power Services shall designate each Grand Coulee PSB that does not represent an Absolute Operating Constraint as either a Hard Operating Constraint or a Soft Operating Constraint. Unless designated otherwise by Power Services, Grand Coulee PSB associated with date-specific required forebay elevations shall be designated as Hard Operating Constraints and Grand Coulee PSB associated with interpolated points in effect on days between such date-specific required forebay elevations shall be designated as Soft Operating Constraints. Tacoma shall maintain its simulated Grand Coulee forebay elevation within the upper and lower Grand Coulee PSB that are designated as Hard Operating Constraints, or be subject to penalties as pursuant to section 5.1.4 of this exhibit. Tacoma's simulated Grand Coulee forebay may exceed the upper or lower Grand Coulee PSB designated as Soft Operating Constraints without penalties. However, Tacoma recognizes that simulating Grand Coulee's forebay outside of the upper or lower Grand Coulee PSB designated as Soft Operating Constraints increases Tacoma's risk of violating the Grand Coulee PSB designated as Hard Operating Constraints and incurring the associated penalties.

7. **COMMUNICATIONS**

- 7.1 Tacoma shall be able to utilize the DUI and CFI, pursuant to section 5 of Exhibit L, to review the Simulator Parameters established by BPA.
- 7.2 BPA shall make reasonable efforts to promptly notify Tacoma of potential and significant system conditions or operational changes via e-mail, XML messaging, and/or the daily conference call pursuant to section 7.4 of this exhibit.
- 7.3 BPA shall communicate Federal Operating Decisions and Prudent Operating Decisions to Tacoma in the following manner:

7.3.1 An initial listing and description of Federal Operating Decisions and Prudent Operating Decisions that affect the Simulator Projects and are in effect as of September 30, 2028;

7.3.2 A publication via the POCSA as soon as practicable after BPA is informed of Federal Operating Decisions, or BPA makes either Federal Operating Decisions or Prudent Operating Decisions affecting the Simulator Projects; and

7.3.3 A verbal report to the attendees during the next scheduled daily conference call pursuant to section 7.4 of this exhibit regarding Federal Operating Decisions or Prudent Operating Decisions that have a material impact on the operation of the Simulator Projects, BOS Complex, or Designated System Obligations.

7.4 Beginning September 28, 2028, and on each Business Day thereafter, BPA shall initiate an informational conference call with Tacoma and the other Slice Customers at a time established by the SOF to discuss current and upcoming operating parameters and other related matters. The time and frequency of the call may be changed upon the mutual agreement of BPA, Tacoma, and the other Slice Operations Forum (SOF) members. Tacoma shall receive notice from BPA via e-mail at least three Business Days prior to any such change.

8. **3-MONTH FORECAST OF SLICE OUTPUT**

8.1 Prior to September 24, 2028 and prior to the 24th day of each month thereafter, BPA shall provide Tacoma with the results of a 3-month forecast, pursuant to section 8.2 of this exhibit. BPA shall revise such forecast during the month in the event conditions change significantly and shall make such revised forecast available to Tacoma in a timely manner.

8.2 BPA, consistent with its internal study processes, shall perform two single-trace hydroregulation studies that incorporate the expected stream flow condition for the upcoming 3-month period in weekly time periods. One study shall operate Grand Coulee as needed to satisfy the minimum Simulator Project flow constraint to attain the highest reservoir elevations possible at Grand Coulee, limited by its upper Operating Rule Curves, and one study shall operate Grand Coulee as needed to satisfy the Simulator Project maximum flow constraint in order to attain the lowest reservoir elevations possible at Grand Coulee, limited to its lower ORC. Both studies shall reflect a pass-inflow operation at all other Simulator Projects and the expected operation at all other Tier 1 System Resources and non-federal projects that are represented in the study, such as Brownlee, Seli's Ksanka Qlispe' Dam (SKQ), and the mid-Columbia projects. BPA shall initialize the starting reservoir Storage Content for each study equal to the Storage Contents projected to occur at midnight on the study initialization date. Based on the results of these studies, Power Services shall provide to Tacoma the weekly natural inflow, turbine discharge, generation, spill discharge, and ending

elevation for each of the Simulator Projects, the Snake Complex projects, Libby, Hungry Horse, Dworshak, and Keenleyside (Arrow); the weekly generation forecasts for the sum of the remaining BOS projects, excluding CGS; the weekly CGS generation forecast; and the weekly forecast of the individual Designated System Obligations. BPA shall also provide a summary of weekly aggregated planned generator maintenance outages for all Tier 1 System Resources, expressed in total megawatts, as well as the estimated Grand Coulee upper and lower PSB associated with the end of month requirement and/or within month requirement for the study period.

9. 12-MONTH FORECAST OF SLICE OUTPUT

- 9.1 Prior to June 30, 2027, and prior to each June 30 thereafter during the term of this Agreement, BPA shall initiate a conference call with Slice Customers to discuss and review inputs, assumptions, and content of the Multiyear Hydroregulation Study used to develop the 12-month forecast pursuant to section 9.4 of this exhibit.
- 9.2 Prior to July 31, 2027, and prior to each July 31 thereafter during the term of this Agreement, BPA shall provide Tacoma with results from the 12-month forecast, pursuant to section 9.4 of this exhibit.
- 9.3 Prior to August 31, 2027, and prior to each August 31 thereafter during the term of this Agreement, BPA, Tacoma, and other Slice Customers shall meet to discuss the results of the 12-month forecast pursuant to section 9.4 of this exhibit.
- 9.4 BPA, consistent with its internal study processes, shall perform a single Multiyear Hydroregulation Study for the upcoming October through September period during the term of this Agreement that represents a range of potential stream flow traces, using the number of traces used by BPA for its internal study purposes. The study shall reflect Grand Coulee operating to its ORC at times when its upper and lower ORC are equal. At times when Grand Coulee's upper and lower ORC are not equal, the study shall reflect Coulee operating in a manner that achieves all Simulator Project flow constraints when possible. The study shall represent a pass-inflow operation at all other Simulator Projects and the expected operation at all other Tier 1 System Resources and non-federal projects that are represented in the study, such as Brownlee, SKQ, and the mid-Columbia projects. BPA shall initialize the starting reservoir Storage Contents for this study at the Storage Contents projected to occur at midnight on the study initialization date. Based on the results of this study, BPA shall provide to Tacoma the monthly natural inflow, turbine discharge, generation, spill discharge, and ending elevation for each of the Simulator Projects, the Snake Complex projects, Libby, Hungry Horse, Dworshak, and Keenleyside (Arrow); the monthly generation forecasts for the sum of the remaining BOS projects, excluding CGS; the monthly CGS generation forecast; and the monthly forecast of the individual Designated System Obligations. Power Services shall also provide a

summary of monthly aggregated planned generator maintenance outages, expressed in total megawatts, for all Tier 1 System Resources.

- 9.5 Any updates or revisions to the Multiyear Hydroregulation Study shall be completed at BPA's sole discretion, including the decision to perform a subsequent Multiyear Hydroregulation Study to incorporate changes in operations.

10. BPA OPERATIONAL INFORMATION CONFIDENTIALITY AND DISCLOSURE

BPA considers all prospective operational information associated with the Tier 1 System or any Tier 1 System Resource to be proprietary and business sensitive. Such information that is provided by BPA to Tacoma or its scheduling agent pursuant to Exhibit L or this Exhibit M shall be treated as confidential by Tacoma. Tacoma and any third parties it has designated to use the PQCSA shall execute a PQCSA Access and Use Agreement with BPA pursuant to section 5.10 in the body of this Agreement. Tacoma shall limit its use of such information to its employees solely for the implementation of the terms of this Agreement. BPA reserves the right to withhold such operational information from scheduling agents that BPA determines are significant, active participants in WECC footprint wholesale power or transmission markets and that are not Slice Customers. If Tacoma enlists the services of a scheduling agent that is not a Slice Customer, then Tacoma shall require its scheduling agent to develop systems or procedures that create functional separation between Slice related operational information and the scheduling agent's marketing functions.

If Tacoma is required by applicable law, rule or regulation, including without limitation state public records laws, or by legal or administrative process to disclose any operational information described in this section 10, then Tacoma may disclose such operational information in accordance with applicable law; provided, however, that Tacoma shall notify BPA as soon as practicable of a request or requirement received under applicable law and prior to such disclosure.

11. MONTHLY RSO TEST, ANNUAL RSO TEST, AND CHARGES

11.1 Monthly RSO Test

At the conclusion of each month during the Fiscal Year BPA shall perform a Monthly RSO Test that compares: (1) Tacoma's Slice-To-Load during each month with (2) Tacoma's RSO for each such month.

11.1.1 Tacoma shall pass the Monthly RSO Test if either of the following conditions are met:

- (1) If Tacoma's monthly Slice-to-Load is greater than or equal to 85 percent of its RSO for the applicable month, then Tacoma passed the Monthly RSO Test; or
- (2) If Tacoma's: (A) monthly Slice-To-Load is less than 85 percent of its RSO for the applicable month, and (B) ASOE for the

applicable month is less than 110 percent of its RSO for the applicable month, and (C) monthly Slice-To-Load is greater than 85 percent of its ASOE for the applicable month, then Tacoma passed the Monthly RSO Test.

11.1.2 If Tacoma does not pass the Monthly RSO Test, then BPA shall apply a Monthly RSO Test failure charge and Tacoma shall pay such charge. BPA shall calculate Tacoma's Monthly RSO Test failure charge using one of the following calculations:

- (1) If Tacoma's ASOE is greater than 110 percent of its RSO for the applicable month, then BPA shall calculate the Monthly RSO Test failure charge by multiplying the applicable monthly Failed RSO Rate by the difference between 85 percent of Tacoma's RSO and its Slice-to-Load; or
- (2) If Tacoma's ASOE is less than 110 percent of its RSO for the applicable month, then BPA shall calculate the Monthly RSO Test failure charge by multiplying the applicable monthly Failed RSO Rate by the difference between 85 percent of Tacoma's ASOE and its Slice-to-Load.

11.1.3 BPA shall notify Tacoma the results of the monthly RSO test for the preceding calendar month no later than the 20th Business Day of each calendar month.

11.2 Annual RSO Test

At the conclusion of each Fiscal Year BPA shall perform an Annual RSO Test that compares (1) the sum of Tacoma's annual Slice-to-Load for all months of the Fiscal Year with (2) the sum of Tacoma's monthly RSO for all months of the Fiscal Year.

11.2.1 Tacoma shall pass the Annual RSO Test if either of the following conditions are met:

- (1) If Tacoma's annual Slice-to-Load is greater than or equal to 90 percent of its annual RSO for the applicable Fiscal Year, then Tacoma passed the Annual RSO Test; or
- (2) If Tacoma's: (A) annual Slice-To-Load is less than 90 percent of its RSO for the applicable Fiscal Year, and (B) the sum of its monthly ASOE for the applicable Fiscal Year is less than 110 percent of the sum of its monthly RSO for the applicable Fiscal Year, and (C) annual sum of its monthly Slice-To-Load is greater than 90 percent of its annual sum of its monthly ASOE for the applicable Fiscal Year, then Tacoma passed the Annual RSO Test.

11.2.2 If Tacoma does not pass the Annual RSO Test, then BPA shall apply an Annual RSO Test failure charge and Tacoma shall pay such charge. BPA shall calculate Tacoma's Annual RSO Test failure charge using one of the following calculations:

- (1) If the sum of Tacoma's monthly ASOE for the applicable Fiscal Year is greater than 110 percent of the sum of its monthly RSO for the applicable Fiscal Year, then BPA shall calculate the Annual RSO Test failure charge by (A) multiplying the average of the monthly Failed RSO Rates during the Fiscal Year by (B) the difference between 90 percent of Tacoma's annual RSO for the applicable Fiscal Year and its annual Slice-to-Load for the applicable Fiscal Year, then (C) subtracting any Monthly RSO Test failure charges applied during the Fiscal Year. If the sum of the Monthly RSO Test failure charges during the applicable Fiscal Year is greater than the Annual RSO Test failure charge calculated in (1) above, then the Annual RSO Test failure charge shall be zero.
- (2) If the sum of Tacoma's monthly ASOE for the applicable Fiscal Year is less than 110 percent of the sum of its monthly RSO for the applicable Fiscal Year, then BPA shall calculate the Annual RSO Test failure charge by (A) multiplying the average of the monthly Failed RSO Rates during the Fiscal Year by (B) the difference between 90 percent of Tacoma's annual ASOE for the applicable Fiscal Year and its annual Slice-to-Load for the applicable Fiscal Year, then (C) subtracting any Monthly RSO Test failure charges applied during the Fiscal Year. If the sum of the Monthly RSO Test failure charges during the applicable Fiscal Year is greater than the Annual RSO Test failure charge calculated, then the Annual RSO Test failure charge shall be zero.

11.2.3 BPA shall notify Tacoma of the results of the Annual RSO Test no later than the 20th Business Day of October.

12. REVISIONS

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

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