

CONFIRMATION BETWEEN

Puget Sound Energy, Inc. and _____

This confirmation letter (“**Confirmation**”) confirms the Transaction entered into on the Effective Date between _____ (“**Seller**” or “_____”) and Puget Sound Energy, Inc. (“**Purchaser**” or “**PSE**”) regarding the sale and purchase of firm energy [and/or capacity] in accordance with the terms and provisions of the WSPP, Inc. Agreement in force as of [●], 202X (the “**WSPP Agreement**”) under the following terms and conditions. Consistent with Section 35 of the WSPP Agreement, this Confirmation, together with all other transactions and confirmations between the Parties and the WSPP Agreement, form a single integrated agreement and are not separate contracts. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the WSPP Agreement. Purchaser and Seller are each referred to as a “**Party**” and collectively, the “**Parties**”.

Seller: _____

Purchaser: Puget Sound Energy, Inc.

Transaction: This Transaction is for Seller to sell and deliver and Purchaser to purchase and receive the Contract Quantity of Firm [Energy or Capacity] at the Delivery Point in accordance with the Delivery Profile during each of the Delivery Periods comprising the Delivery Term, all as specified below and in accordance with the terms and conditions set forth in this Confirmation.

Product: WSPP Agreement Schedule C Firm [Energy or Capacity] delivered from the Source.

Product [does/does not] include Environmental Attributes for the purpose of complying with CETA.

Delivery Term: The Delivery Term consists of the following delivery periods (each, a “**Delivery Period**”):

Contract Quantity and Delivery Profile:

<u>Delivery Period</u>	<u>Delivery Profile (Hours)</u>	<u>Hourly Contract Quantity (MW)</u>
	ATC, HLH	
	ATC, HLH	

Contract Price: \$[XX.XX]/MWh.

Delivery Point: _____

The Mid-C Delivery Point will be represented by Northwest Hub (NWH) in the physical path of the e-Tag unless the Parties' respective schedulers agree to an alternate Mid-C point for the physical path.

The Parties may subsequently agree to an alternate delivery point for all or a portion of the Delivery Term.

Seller agrees to deliver Firm Energy to Delivery Point on Firm Transmission service.

Special Conditions1. **Definitions**. In this Confirmation:

"Applicable Law" means all laws, statutes, rules, regulations, ordinances, codes, treaties, judgments, judicial precedent, orders, decrees, or pronouncements of a Governmental Authority having the effect of law or regulation and applicable to a Party hereto, the performance by a Party of its obligations hereunder or the subject matter of this Confirmation.

"Balancing Authority" and **"Balancing Authority Area"** have the meanings ascribed thereto in the Glossary of Terms Used in NERC Reliability Standards (NERC Glossary), as updated June 28, 2021.

"CETA REC" means a renewable energy credit, as defined in the Clean Energy Transformation Act, Chapter 19.405 RCW. CETA RECs are also RECs as defined in this Specified Source Confirmation Attachment.

"Change in Law or Market Design" means any (i) addition, amendment, decision, ruling, order, or binding interpretation to or regarding any Applicable Law by or of a Governmental Authority having jurisdiction or authority, (ii) amendment or modification of or to a transmission provider's open access transmission tariff (OATT), including all protocols, policies, procedures and business practices established by the transmission provider applicable thereto, but excluding amendments or modifications solely to the costs and charges imposed by a transmission provider pursuant to its OATT, and (iii) to the extent not covered in (i) through (ii) above, material structural change in the wholesale energy markets in the WECC area, that, in any of the circumstances referred to in (i) through (iii), occurs after the Effective Date.

"Effective Date" means the date on which both Parties have executed and delivered this Confirmation.

"Firm Transmission" means NERC Transmission Service Reservation Priority 6 or 7-F (firm point-to-point transmission), and includes conditional firm point-to-point transmission.

“Generally Accepted Utility Practice” means a practice established by WECC, as such practice may be revised from time to time, or if no practice is so established, means a practice otherwise generally accepted in the WECC region.

“Governmental Authority” means any national, state, provincial or local government, any political subdivision thereof, or any other governmental, regulatory, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, department, bureau, or entity with authority to bind a Party at law or over the subject matter of this Confirmation.

“Preschedule Deadline” means the WECC preschedule deadline as determined in accordance with the then applicable WECC Scheduling Calendar and Generally Accepted Utility Practice.

“REC” means a certificate of proof associated with the generation of electricity, issued through WREGIS.

“Reference Date” means the date on which Seller has executed this Confirmation.

“WECC” means the Western Electricity Coordinating Council or any successor regional reliability council.

“WRAP” means the Western Resource Adequacy Program, administered by the Western Power Pool (WPP) and operated by Southwest Power Pool (SPP), providing for a common resource adequacy framework among program participants. The WRAP consists of, among other things, forward resource showing and resource eligibility requirements and operational mechanisms that will be phased in over time, commencing with a non-binding forward-showing phase (Phase 3A) and developing into binding resource adequacy commitments for all participants (Phase 3B).

“WREGIS” means the Western Renewable Energy Generation Information System.

2. **Generally Accepted Utility Practice**. All scheduling and tagging shall be in accordance with Generally Accepted Utility Practice.
3. **Environmental Attributes**
 - (a) shall mean all environmentally-related characteristics, claims exclusive of energy, capacity, reliability, and other electrical power service attributes, that are associated with the generation of electricity from a non-carbon emitting resource, including but not limited to the facility’s fuel type, geographic location, vintage, qualifications as an eligible specified source, and avoided emissions of pollutants to the air, soil, or water, and avoided emissions of carbon dioxide and other greenhouse gases, provided, however, Seller does not warrant eligibility of these Non-power Attributes in any market or jurisdiction.
 - (b) If the Source is registered in WREGIS, CETA RECs shall be transferred through WREGIS from Seller to Purchaser for every MWh delivered from a Source listed in Schedule A. Seller will transfer the RECs purchased and sold hereunder to

Purchaser's WREGIS account. Seller will deliver RECs monthly, in the month following the end of the month in which the RECs become available in WREGIS.

- (c) In the event of unforeseen physical or operational limitations that are outside of the Seller's reasonable control (including curtailments or de-rate of transmission service from the Source's host Balancing Authority Area or significant or widespread loss of generation within the host Balancing Authority Area), Seller may deliver energy from an alternate source or group of resources. Subject to Carbon Adjustment in accordance with Section 4.
 - (d) If Source is not registered in WREGIS, Purchaser has the right to identify that the Firm Energy was generated by and attributable to the applicable generating facility comprising the Source from which it was delivered, as identified by the allocated generation data provided to Purchaser by Seller, including any applicable Environmental Attributes and source emissions factor associated with source generation.
4. **Carbon Adjustment.** In the event that energy is delivered from an alternate source or group of resources in accordance with Section 3(c) of this Confirmation and, such energy is not generated by and/or attributable to one or more CETA eligible facilities then the difference (in MWh) between the hourly allocated generation quantity and the e-Tag quantity or the quantity of energy (in MWh) delivered from any such alternate sources or group of resources, as the case may be, will be considered a delivery of energy other than from the Source and Purchaser's sole and exclusive remedy shall be a reduction in the Contract Price by \$15.00/MWh ("**Carbon Adjustment**") for any such energy delivered and all other remedies are hereby waived.
5. **Additional Seller Representations.** Seller represents to Purchaser as follows:
- (a) as of the Reference Date, the capacity supporting energy to be delivered pursuant to this Confirmation is surplus to the expected capacity requirements of the Source's host Balancing Authority Area and is not committed to another Balancing Authority Area;
 - (b) throughout the Delivery Term, Seller will not commit the capacity necessary to support delivery of Firm Energy to a third party or other Balancing Authority Area;
 - (c) throughout the Delivery Term, Firm Energy will be delivered to the Delivery Point using Firm Transmission; and
 - (d) throughout the Delivery Term, Seller's firm energy obligation is and will be supported (backed) each hour by operating reserves (including required contingency reserves and sufficient balancing reserves) in the Source's host Balancing Authority Area necessary to ensure there is sufficient energy available for Seller to meet its obligation throughout the applicable operating hour.

For greater certainty, the foregoing representations do not modify the terms of the Product for the purposes of measuring either Party's performance, which shall be based on the

quantity of energy delivered to or received at the Delivery Point, as applicable, with any damages for failure to perform subject to those limitations provided herein and the WSPP Agreement.

6. **Washington Climate Commitment Act.** For CETA Eligible Firm Energy delivered pursuant to this Confirmation, Seller will be the electricity importer (and first jurisdictional deliverer) into Washington for purposes of Washington State Laws of 2021, chapter 316 (codified primarily at Chapter 70A.65 RCW, and together with associated regulations, the “**Washington Climate Commitment Act**”) and responsible for satisfying any reporting and compliance obligation(s) thereunder. Purchaser will (i) use commercially reasonable efforts to assist Seller as required and requested by Seller in satisfying its reporting obligations for the Firm Energy under Washington Climate Commitment Act and (ii) take such actions in accordance with Washington Climate Commitment Act that are within Purchaser’s control to mitigate any compliance obligation thereunder that may be imposed on Seller with respect to the Firm Energy. In the event the final terms of the Washington Climate Commitment Act or any changes thereto after the Effective Date impose a reporting or compliance obligation on Purchaser, Seller will reimburse Purchaser for any costs it may incur for satisfying the compliance obligation and the Parties will cooperate in good faith to make such operational changes or amendments hereto to carry out the intent of the Parties as of the Effective Date.
7. **Western RA Program.**
 - (a) The Parties acknowledge that Purchaser has entered into this transaction to, among other things, include this Confirmation (and the Firm Energy procured pursuant thereto) as a resource to meet part of its forward showing requirements in the WRAP and it is the mutual intention of the Parties that this Confirmation (and the Firm Energy procured pursuant thereto) will be an eligible resource for the WRAP. To the extent this Confirmation and the Firm Energy procured hereunder is an eligible resource for the WRAP, Purchaser has the exclusive right to count such Firm Energy toward meeting its forward showing requirements in the WRAP.
 - (b) Provided Purchaser is, at the time, a participant in the WRAP and the WRAP administrator determines (or the Purchaser in good faith reasonably expects) that Purchaser cannot include this Confirmation (and the Firm Energy procured pursuant thereto) as a resource to meet its forward showing requirements in the WRAP without clarifications or modifications to the Confirmation, Purchaser may notify Seller in writing (“**Purchaser RA Notice**”) of the foregoing and identifying in reasonable detail the required clarifications or modifications to this Confirmation. Following receipt of the Purchaser RA Notice from Purchaser, the Parties shall negotiate in good faith to determine if such clarifications or modifications, as applicable, described in the Purchaser RA Notice (or otherwise as the Parties agree) may be implemented by the Parties. For greater certainty, nothing in the foregoing shall require Seller to accept any additional material risk or obligation or relinquish any material right or benefit hereunder.

8. **Change in Law and Market Design.**

- (a) If a Party becomes aware that there has occurred or is reasonably likely to occur a Change in Law or Market Design that prohibits, prevents, or materially impedes a Party from performing its obligations under this Confirmation, such Party shall notify the other Party of such Change in Law or Market Design. Promptly following any such notice, the Parties will negotiate in good faith amendments to or a replacement of this Confirmation that will result in substantially the same allocation of rights, benefits, and risks as this Confirmation as of the Effective Date. If such good faith negotiations do not result in such an amendment to or replacement of this Confirmation within a period of 90 days following the start of such negotiations (or any longer time period to which the Parties may agree) or if the nature of the Change in Law or Market Design is such that amendment to or replacement of this Confirmation cannot reasonably be expected to provide the same allocation of rights, benefits, and risks, either Party may, effective upon not less than 60 days' prior written notice to the other Party, terminate this Confirmation at the commencement of or any time while such Change in Law or Market Design has occurred and is continuing, without any penalty or liability of either Party to the other Party; provided, however, that in no event will any such termination excuse any obligation to make payments due or becoming due under this Confirmation for performance rendered prior to such termination. Unless and until any such termination of this Confirmation, each Party shall continue to perform its obligations under this Agreement to the fullest extent not actually prohibited, prevented, or impeded by such Change in Law or Market Design.
- (b) To the extent a Change in Law or Market Design occurs that directly prohibits, prevents, or materially impedes either Party from performing its obligations under this Confirmation and the Parties are unable to follow the procedures set forth in paragraph (a) above, such Change in Law or Market Design will be treated as Uncontrollable Force and the affected Party will be entitled to relief therefor in accordance with this Confirmation and the WSPP Agreement.
- (c) For purposes of this Section, "materially" means a level of significance that would, as of the Effective Date, have been reasonably likely to have affected any decision of a reasonable person in the applicable Party's position regarding whether or not to enter into this Confirmation or consummate the transaction(s) contemplated in this Confirmation on the terms and conditions thereof.

9. **Credit Requirements.** [To be determined and dependent upon PSE credit review, counterparty, and contract structure.]

10. **Mobile-Sierra.** The Parties hereby agree that, absent the agreement of both Parties to the proposed changes, the standard of review for changes to this Agreement proposed by a Party, a non-party or FERC acting *sua sponte*, shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the "Mobile Sierra" doctrine) affirmed by *Morgan Stanley Capital Group, Inc. v. Public*

Utility District No. 1 of Snohomish County, 128 S. Ct. 2733 (2008) and NRG Power Marketing LLC v. Maine Public Utility Commission, 558 U.S. 165 (2010).

- 11. **No Waiver.** The failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions hereof, or to take advantage of any of its rights hereunder, shall not constitute a waiver, relinquishment or modification of any such terms, conditions or rights, and the same shall be and remain at all times in full force and effect.
- 12. **Severability.** The invalidity, illegality or unenforceability of one or more phrases, sentences, clauses, or sections contained in this Confirmation or the WSPP Agreement will not affect the validity, legality or enforceability of the remaining portions of this Confirmation or the WSPP Agreement so long as the material purposes of this Confirmation can be determined and effectuated by such remaining portions.
- 13. **Counterparts/Electronic Execution.** This Confirmation may be signed in any number of counterparts with the same effect as if the signatures to the counterparts were upon a single instrument, and the Parties may rely on electronic or scanned signatures as originals. Delivery of an executed signature page of this Confirmation by electronic mail transmission (in portable document format (PDF) or other format agreed by the Parties) shall be the same as delivery of a manually executed signature page.

The Parties agree it is their intention that the Transaction provided for in this Confirmation is not capable of being agreed to orally and shall only become binding on the Parties when this Confirmation is executed by both Parties.

ACKNOWLEDGED AND AGREED TO:

[Seller]

Puget Sound Energy, Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

