

Appendix D

Sample
Power Purchase Agreement
For
Power Generation Facilities
(_____ Kilowatts or less)

THIS AGREEMENT, between _____
(Seller) and _____ (Avista Utilities Name), bears the following recitals:

- A. Seller intends to own and/or operate an electric power generation facility using co-generation, fuels derived from biomass, waste or renewable energy sources, including wind, solar energy, and water to produce power. Seller desires to operate such generation in parallel with the Avista Utilities' system and sell a portion or all of the power produced to the Avista Utilities. The Avista Utilities has no direct financial involvement in the investment, construction, operation, or maintenance of Seller's generation facility.
- B. Seller's generation facility is located at _____
_____ and will be ready to produce and deliver power for sale on or about _____
- C. Seller's generation facility is described as:
Make: _____
Model: _____ Serial Number: _____
Fuel or energy source: _____ and having a name plate output rating of _____ kW, _____ volts, _____ phase, 60 Hertz.
- D. The Avista Utilities is willing to permit Seller to operate its generation facility in parallel with the Avista Utilities' system under certain conditions for the purposes of delivering power to the Avista Utilities.
- E. The Avista Utilities is willing to purchase Seller's delivered energy at the rate set forth in the Avista Utilities' Schedule 90, as that rate may from time to time be revised by the Board of Commissioners of the Avista Utilities pursuant to RCW 54.16.040 and Section 210 of the Federal Public Avista Utilities Regulatory Policies Act of 1978 (PURPA), Public Law 95-617.

NOW, THEREFORE, Seller and the Avista Utilities agree to the following:

1. The Seller and the Avista Utilities agree to interconnect their respective facilities to purchase or sell electric energy, and the Avista Utilities agrees to purchase such delivered electric energy at the rate set forth in the Avista Utilities' Rate Schedule _____, as that rate may from time to time be revised.

A copy of the current Rate Schedule _____ (to be attached by the Avista Utilities), and by this reference made a part hereof as if set forth at length herein. When any change is made to Rate Schedule _____, a copy of the new Rate Schedule shall be provided to the Seller.

2. The Avista Utilities' obligation for payment to Seller for energy deliveries to the

- Avista Utilities shall commence on the date stated by the Avista Utilities in its written approval for Seller to commence parallel operation as described in Para 7.
3. The Avista Utilities shall sell any electric power delivered by the Avista Utilities to the Seller under the provisions of the Avista Utilities' applicable rate schedules.
 4. Seller shall be fully responsible for the costs and performance of designing, installing, owning, operating, and maintaining Seller's:
 - a. generating facility in accordance with the requirements of all applicable laws, rules, codes, and regulations, and the directives of all governmental agencies having jurisdiction;
 - b. control and protective devices as required by the Avista Utilities for the safe parallel operation of Seller's generation facility with the Avista Utilities' system; and
 - c. interconnection facilities on Seller's premises as may be required to deliver power from Seller's generation facilities to the agreed point of interconnection with the Avista Utilities' system.
 5. In the event it is necessary for the Avista Utilities to install any special or additional interconnection facilities, including control or protective devices, time of delivery metering, and reinforcement of its system to receive or to continue to receive the power delivered under this Agreement, Seller shall reimburse the Avista Utilities for its costs associated with the installation of such facilities.
 6. Seller shall submit equipment specifications and detailed plans to the Avista Utilities for the installation of its interconnection facilities, control and protective devices, and facilities to accommodate the Avista Utilities' meters for review and advance written approval prior to their actual installation.
 7. Seller agrees not to operate its generator in parallel with the Avista Utilities' system until the installation has been inspected by authorized Avista Utilities representatives and final written approval is received from the Avista Utilities to commence parallel operations.
 8. The Avista Utilities' approvals described in this Agreement shall not be construed as any warranty of safety, durability, or reliability of Seller's generation service facilities or its control or protective devices.
 9. The Avista Utilities shall have the right:
 - a. to enter the Seller's premises at any time for the inspection of Seller's protective devices and for reading and testing of meters;
 - b. to enter Seller's premises at reasonable times to disconnect the interconnection for purposes of maintenance; and
 - c. to enter Seller's premises at any time and to disconnect without notice the interconnection facilities if, in the Avista Utilities' opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or the Avista Utilities' facilities, or other customer's facilities from damage or interference caused by Seller's generator, or lack of properly operating protective devices.

10. Seller agrees to make no change in its generation facility or protective devices without the prior written consent of the Avista Utilities.
11. The Avista Utilities shall not be liable for any loss or damage to property or bodily injuries to or death of persons, whether suffered by the Seller, its agents or employees, or by any third person, persons or corporations, resulting from the location, use, or operation of electrical or other equipment located on the customer's side of the point of delivery, or from electric energy present therein or escaping therefrom.
12. The Seller shall indemnify the Avista Utilities, its officers, agents, and employees against any loss, damages, bodily injury or death of any person or persons, including, but not limited to, the employees of the Avista Utilities, its customers, or any third party, resulting from or arising out of or in any way connected with the installation, inspection, maintenance, testing, use, and operation of Seller's facility.
13. Seller shall be solely responsible for securing any and all easements, licenses and permits, or exemptions therefrom, as may be required by any federal, state, or local statutes, ordinances or regulations, and hereby represents and warrants that all such necessary easements, licenses and permits, or exemptions, have been received, and hereby agrees to and shall indemnify and defend the Avista Utilities, its officers, agents, and employees, from and against any and all losses or claims resulting from or arising out of Seller's performance or failure to perform under this provision.
14. Seller shall obtain, at its own expense, insurance for bodily injury and property damage with a combined single limit of \$_____, with provisions acceptable to the Avista Utilities prior to the actual interconnected operation of the facility. Such insurance shall be maintained in full force and effect so long as the facility is interconnected to the Avista Utilities' system. Failure to maintain such insurance shall constitute a breach of contract and shall be sufficient grounds for the Avista Utilities to terminate this Agreement.

A certificate of the insurance coverage of the Seller shall be authenticated by the proper officer of the insurer and shall provide that such insurance is in effect at the time of said certificate and will not be cancelled, limited, or allowed to expire without renewal until after thirty (30) days' advance written notice has been given to the Avista Utilities.

15. This Agreement may not be assigned by the Seller to another party except with the written consent of the Avista Utilities, which consent shall not be unreasonably refused.
16. This Agreement shall be in effect when signed by the Seller and the Avista Utilities for an initial term of one year, and shall remain in effect thereafter from month to month unless terminated by either party with thirty (30) days' advance written notice to the other.

Dated this _____ day of _____, 19_____

 Seller
 By _____

 Title

 Avista Utilities
 By _____

MAILING ADDRESS:
