



## Large Load Electric Service

### Construction Development Agreement

This Construction Development Agreement (“Agreement”) is entered into as of \_\_\_\_\_, 20\_\_ (“Effective Date”), by and between Tri-County Electric Cooperative, Inc., a Texas electric cooperative (“Cooperative”), and \_\_\_\_\_, a \_\_\_\_\_ (“Developer”). Cooperative and Developer may be referred to individually as a “Party” and collectively as the “Parties.”

#### RECITALS

WHEREAS, Developer has requested electric service for a proposed large load or distributed energy resource Project located at or near \_\_\_\_\_ (the “Project”);

WHEREAS, the Cooperative has completed or is completing engineering evaluation, system planning, and coordination activities necessary to define the scope of facilities required to serve the Project;

WHEREAS, the Cooperative will design, procure, and construct the facilities required to provide service to the Project;

WHEREAS, the Cooperative’s members shall not bear any costs associated with construction of facilities required to serve the Project;

WHEREAS, Developer agrees to fund one hundred percent (100%) of all costs associated with procurement and construction of such facilities;

WHEREAS, Developer is responsible for all transmission provider coordination and requirements associated with the Project;

WHEREAS, execution of this Agreement does not obligate the Cooperative to provide electric service to the Project and does not reserve generation, transmission, or distribution capacity;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

#### 1. Purpose

The purpose of this Agreement is to establish the terms under which the Cooperative will procure materials and construct facilities necessary to serve the Project on a fully funded Contribution in Aid of Construction (CIAC) basis.

#### 2. Scope of Services

The Cooperative shall design, procure, and construct facilities required to serve the Project, which may include substation facilities, distribution infrastructure, metering equipment, and related system components. Developer shall be solely responsible for all transmission provider coordination, studies, costs, and requirements. The Cooperative shall not manage, coordinate, or be responsible for transmission-level interconnection or transmission provider processes.



### **3. Construction Costs (CIAC)**

Developer shall be responsible for one hundred percent (100%) of all costs incurred by the Cooperative associated with procurement and construction of facilities required to serve the Project, including but not limited to materials and equipment; labor and construction; contractor and vendor costs; and construction-related third-party costs. Costs incurred shall include all costs paid or payable by the Cooperative. Costs committed shall include all costs for which the Cooperative has entered into binding obligations, including but not limited to purchase orders, contracts, or equipment commitments, whether or not such costs have been invoiced.

Developer shall also be responsible for all costs associated with transmission or substation facilities required to support the Project, including but not limited to costs imposed by Brazos Electric Power Cooperative or any other transmission provider, whether incurred during construction or at any time thereafter, including costs associated with upgrades, modifications, or retirement of such facilities.

### **4. Estimated Project Cost**

The Cooperative shall provide Developer with an estimated total cost for construction of the facilities required to serve the Project. Developer acknowledges that such estimate is preliminary and subject to change based on final design, procurement conditions, and construction requirements.

### **5. Payment of CIAC**

#### **5.1 Upfront Payment**

Within ten (10) business days of execution of this Agreement, Developer shall provide payment equal to one hundred percent (100%) of the estimated construction cost (CIAC). The Cooperative shall not commence procurement or construction activities until such payment has been received.

#### **5.2 Additional Funding**

If at any time the Cooperative determines that actual costs will exceed the estimated construction cost, the Cooperative may require the developer to pay additional funds within ten (10) business days of written request and may suspend procurement or construction activities until such funds are received.

### **6. Final Accounting and Reconciliation**

#### **6.1 Final Accounting**

Following completion of construction, the Cooperative shall perform a final accounting of all costs incurred. Developer acknowledges that final cost determination may require a reasonable period of time following completion due to vendor invoicing and third-party cost reconciliation.

#### **6.2 Underpayment**

If actual costs exceed estimated amounts paid, Developer shall pay the full amount of such deficiency within fifteen (15) days of receipt of invoice from the Cooperative.



### **6.3 Overpayment**

If amounts paid by Developer exceed actual costs:

The Cooperative may apply such excess funds, at its sole discretion, to any outstanding or future amounts owed by Developer to the Cooperative related to the Project, including but not limited to:

- Contribution in Aid of Construction (CIAC)
- Deposits or security requirements
- Electric service charges

Any remaining balance not applied to such obligations shall be refunded to Developer upon written request.

### **6.4 No Interest**

No interest shall accrue on any overpayment held by the Cooperative during the reconciliation period.

## **7. Ownership of Facilities**

All facilities constructed shall be owned, operated, and maintained solely and exclusively by the Cooperative.

Developer acknowledges that payment of Contribution in Aid of Construction (CIAC) does not confer any ownership interest, property right, control right, or priority service right in any facilities constructed to serve the Project.

All such facilities shall remain the sole and exclusive property of the Cooperative, regardless of funding source.

The Cooperative shall have sole and exclusive discretion over the design, operation, configuration, maintenance, repair, replacement, use, and retirement of all such facilities at all times.

Developer acknowledges that certain facilities required to serve the Project may be owned by Brazos Electric Power Cooperative or other transmission providers, and that the Cooperative shall have no ownership or retirement obligation for such facilities.

## **8. No Obligation to Provide Electric Service**

Execution of this Agreement does not guarantee electric service to the Project. Electric service shall be subject to execution of a separate Electric Service Agreement (ESA) and satisfaction of all applicable requirements.

## **9. Termination**

Either Party may terminate this Agreement upon written notice. In the event of termination, Developer shall remain responsible for all costs incurred, committed, or reasonably anticipated to be incurred as a result of commitments made by the Cooperative prior to the termination including any costs associated with third-party transmission providers resulting from commitments made in connection with the Project.

This Agreement shall automatically terminate upon completion of construction of the facilities required to serve the Project and commencement of electric service under a separate Electric Service Agreement between the Parties;



provided, however, that such termination shall not relieve Developer of any obligations for costs incurred, committed, or arising from construction of the facilities, including any obligations that survive termination.

## **10. Disclaimers**

The Cooperative makes no representation or warranty regarding construction timelines, procurement schedules, material availability, or Developer’s ability to meet any development or operational deadlines. Developer acknowledges that construction activities are subject to factors outside the Cooperative’s control, including supply chain constraints, contractor availability, and third-party actions.

## **11. Limitation of Liability**

The Cooperative shall not be liable for construction timelines, procurement or construction delays, Developer’s reliance on estimated costs or schedules, cost impacts resulting from market conditions or third-party actions, or other factors outside its control. Developer acknowledges that the Cooperative is not acting as an engineer, contractor, or guarantor of Project performance.

## **12. Indemnification**

To the extent permitted by law, Developer shall indemnify, defend, and hold harmless the Cooperative, its directors, officers, employees, and agents from and against any and all claims, damages, losses, liabilities, and expenses (including attorneys’ fees) arising out of or related to the Developer’s Project, construction of facilities serving the Project, Developer’s use of facilities constructed under this Agreement except to the extent caused by the Cooperative’s gross negligence or willful misconduct.

## **13. Independent Project Risk**

Developer acknowledges that it is solely responsible for Project development decisions, financial commitments, and coordination of third parties, and assumes all risks associated with the Project beyond the Cooperative’s obligation to construct facilities as funded under this Agreement.

## **14. Governing Law**

This Agreement shall be governed by the laws of the State of Texas.

### **SIGNATURES**

Tri-County Electric Cooperative, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



Developer

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_