



Large Load Electric Service Agreement

This Electric Service 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 _____ (“Member”). Cooperative and Member may be referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, Member has requested electric service for a large load or distributed energy resource facility located at or near _____ (the “Service”);

WHEREAS, the Cooperative has agreed to provide Service subject to the terms and conditions of this Agreement;

WHEREAS, Service shall be provided under the Cooperative’s applicable rate schedules, including the Economic Development Tariff;

WHEREAS, the Cooperative’s members shall not bear any financial burden associated with providing Service;

WHEREAS, Member agrees, as a condition of receiving Service, to be bound by and comply with the Cooperative’s Bylaws, Service Rules and Regulations, rate schedules, tariffs, and all other applicable governing documents, as they may be amended from time to time;

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

1. Provision of Service

The Cooperative agrees to provide Service in accordance with this Agreement and all applicable tariffs, rate schedules, and governing documents of the Cooperative. Service shall commence only after completion of all required facilities, satisfaction of all contractual requirements, and authorization by the Cooperative.

The Cooperative does not guarantee uninterrupted or continuous service, including but not limited to interruptions resulting from equipment failure, maintenance, or system conditions, and does not guarantee redundancy of supply. Member acknowledges that service may be provided from a single source and accepts the risks associated with such service, including increased exposure to outages.

Where the Cooperative determines that additional reliability measures are necessary or appropriate to serve the load, including but not limited to redundant feeders, alternate sources, spare or redundant transformers, or other infrastructure, the Member shall be responsible for all costs associated with such measures. The Cooperative shall have sole discretion in determining whether such measures are required and the design, configuration, specifications, and timing of such measures. The Cooperative shall have no obligation to provide redundant service or enhanced reliability unless and until such measures are installed and fully funded by the Member.

All such equipment and infrastructure shall be specified, procured, installed, owned, operated, and maintained solely and exclusively by the Cooperative or its designated contractors. Member shall have no right to procure, supply, or install such equipment. Member shall provide payment in advance for all such equipment as determined by the



Cooperative, and all such facilities, regardless of funding source, shall remain the sole and exclusive property of the Cooperative and subject to its sole control, operation, maintenance, replacement, and disposition.

2. Ownership and Control of Facilities

All facilities constructed or used to provide Service under this Agreement, including but not limited to distribution infrastructure, metering equipment, and related facilities, shall be owned, operated, and maintained solely and exclusively by the Cooperative, except for facilities owned by transmission providers or other third parties.

Member acknowledges that payment of any costs associated with such facilities, including Contribution in Aid of Construction (CIAC) or any other charges, does not confer any ownership interest, property right, control right, or priority service right in such facilities.

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

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

Nothing in this Agreement shall be interpreted to grant Member any right to direct, control, or influence the operation or configuration of the Cooperative's system.

Member acknowledges that certain facilities required to serve the load, including substations or transmission infrastructure, 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.

3. Governing Documents

Member agrees to be bound by and comply with the Cooperative's Bylaws, Service Rules and Regulations, rate schedules, tariffs, and all other applicable policies, as they may be amended from time to time, in the same manner as any other member receiving comparable service.

4. Rate and Charges

Service under this Agreement shall be provided pursuant to the Cooperative's Economic Development Tariff, as applicable. Member shall pay a monthly customer charge equal to One Thousand Dollars (\$1,000) per installed MVA. Energy shall be billed based on North Texas ERCOT RT LMP pricing plus a margin determined by the Cooperative, which shall be applied in a consistent and non-discriminatory manner across all comparable services. All applicable billing adjustments in the Cooperative's rate schedule tariffs including the Brazos Financing Rider and applicable taxes shall be billed. Member shall also be responsible for any other applicable charges, including demand charges, power factor adjustments, regulatory charges, and any other charges authorized under applicable tariffs.

Member shall be responsible for one hundred percent (100%) of all transmission-related costs associated with providing Service, including transmission service charges, network upgrade costs, direct assignment facilities, ERCOT transmission cost allocations, and any costs imposed by or through transmission providers. Such costs shall be billed to Member on a direct pass-through basis or through a service-specific rider, as determined by the Cooperative, and shall be in addition to all other charges under this Agreement.



If the Cooperative determines that system capacity must be reserved or operational flexibility must be maintained to support the Service, the Member shall pay a Capacity Reservation Charge, as determined by the Cooperative, regardless of actual energy usage.

5. Cost Responsibility, No Membership Subsidy

Member acknowledges and agrees that the Cooperative's members shall not bear any cost, risk, or financial obligation associated with providing Service.

Member shall be responsible for one hundred percent (100%) of all costs, whether direct or indirect, known or unknown, associated with providing Service, including but not limited to costs related to infrastructure, existing or new facilities, transmission and distribution impacts, substations, market participation, energy procurement, and any other costs necessary to serve the load, whether such costs arise before, during, or after Service.

This responsibility expressly includes all costs associated with facilities owned or operated by third parties, including but not limited to Brazos Electric Power Cooperative or any other transmission provider, regardless of whether such facilities are existing or constructed to serve the Member.

Member shall remain fully responsible for all such costs, including but not limited to operation, maintenance, upgrade, replacement, and retirement or decommissioning of facilities, even if such costs are billed to the Cooperative by a third party.

Member's obligations under this Section shall survive termination of this Agreement and shall apply regardless of whether the Member continues to take service.

If at any time the Cooperative determines that additional charges are necessary to ensure that no cost is borne by the Cooperative's members, the Cooperative may assess such additional charges to Member, and Member shall be obligated to pay them.

The Cooperative shall have no obligation to pay or advance payment for any such costs, and Member's obligation to pay such costs shall not be conditioned upon the Cooperative's collection from any third party.

6. Billing and Payment

Due to the nature of real-time market pricing and associated risks, Member acknowledges that the Cooperative may issue bills more frequently than monthly, including weekly or other periodic intervals as determined by the Cooperative. All amounts billed shall be due within ten (10) business days of the invoice date, unless otherwise specified by the Cooperative. Failure to timely pay any amount due shall constitute a default and may result in suspension or disconnection of Service, draw upon the letter of credit, acceleration of all outstanding obligations, and any other remedies available to the Cooperative.

7. Security Deposit, Financial Assurance

Member shall provide and maintain, at all times during the term of Service, an irrevocable standby letter of credit in favor of the Cooperative. The amount of the letter of credit shall be determined by the Cooperative and shall be sufficient to cover all unpaid electric service charges, all transmission-related cost exposure, all real-time market exposure, any stranded transmission or distribution costs, any costs associated with underutilized or abandoned



facilities, any costs required to retire or decommission facilities constructed to provide Service, and any other financial exposure to the Cooperative or its members. The amount shall include coverage for all costs incurred or committed during the period of Service, as well as any costs that may be billed, allocated, or carried forward in future periods as a result of Service.

The Cooperative may determine the required amount of financial assurance based on installed or requested capacity (MW or MVA), anticipated market exposure, transmission cost exposure, and other risk factors, and may establish minimum requirements on a per MW or per MVA basis. The Cooperative may adjust the required amount of financial assurance at any time to reflect changes in projected exposure.

The irrevocable letter of credit shall be issued by a financial institution acceptable to the Cooperative, in a form acceptable to the Cooperative, and shall be irrevocable, unconditional, and payable upon demand. The irrevocable letter of credit shall be automatically renewable at intervals not exceeding five (5) years and shall provide not less than ninety (90) days' prior written notice to the Cooperative of any non-renewal or termination.

In the event the issuing financial institution provides notice of non-renewal or termination, Member shall provide a replacement irrevocable letter of credit or other financial assurance acceptable to the Cooperative at least thirty (30) days prior to the expiration date. If Member fails to provide such replacement within that timeframe, the Cooperative may draw upon the letter of credit prior to expiration and retain the proceeds as a cash security deposit to secure Member's obligations under this Agreement.

The letter of credit shall be automatically renewable unless the issuing financial institution provides written notice of non-renewal. In the event of such notice, the Cooperative may draw upon the letter of credit unless a replacement letter of credit acceptable to the Cooperative is provided at least thirty (30) days prior to expiration. The letter of credit shall remain continuously in effect unless replaced or released by the Cooperative. Member shall maintain the required letter of credit at all times and shall increase its amount upon request by the Cooperative. Failure to maintain the required letter of credit shall constitute a default under this Agreement.

The letter of credit is provided as security only and shall not limit Member's obligation to pay all amounts owed under this Agreement. In the event the Cooperative is unable to draw upon the letter of credit for any reason, or if the proceeds are insufficient to satisfy Member's obligations, Member shall remain fully responsible for immediate payment of all amounts due, and the Cooperative may pursue any and all remedies available at law or in equity.

8. Stranded Costs

Member acknowledges that facilities constructed to provide Service are specific to the Member's load and may not be reusable. Member shall be responsible for all costs associated with stranded transmission or distribution investments, underutilized or abandoned facilities, reduction in load below planned levels, decommissioning or retirement of facilities, and any remaining unrecovered costs associated with providing Service.

9. Transmission Provider Coordination

Member acknowledges that certain facilities required to serve the load may be owned or operated by the transmission provider. As a condition of service, Member shall comply with all requirements of such providers and shall enter into any agreements necessary to ensure that all costs associated with such facilities, including construction, upgrades,



operation, maintenance, and retirement or decommissioning, are the sole responsibility of the Member and not the Cooperative.

Member shall indemnify and hold harmless the Cooperative from any such costs, whether billed directly to Member or to the Cooperative. Member's obligations under this Section shall survive termination of this Agreement. The Cooperative shall have no obligation to pay, advance, or assume any such costs under any circumstance.

10. Term and Termination

This Agreement shall remain in effect until terminated. Upon termination of Service, all outstanding amounts shall become immediately due and payable. The Cooperative may draw upon the letter of credit to satisfy unpaid obligations, and Member shall remain responsible for all costs and obligations arising before, during, and after termination of Service.

11. Events of Default

Each of the following shall constitute an event of default under this Agreement: failure by Member to pay any amount when due; failure to maintain the required letter of credit or other financial assurance; failure to comply with any material term of this Agreement or the Cooperative's governing documents; failure to meet any transmission or regulatory requirement necessary to support Service; insolvency, bankruptcy, or assignment for the benefit of creditors; or any condition that, in the Cooperative's reasonable judgment, materially increases the risk of nonpayment or financial exposure to the Cooperative or its members.

Upon the occurrence of an event of default, the Cooperative may, in its sole discretion and without limitation, suspend or disconnect Service, draw upon the letter of credit, require additional financial assurance, accelerate all amounts due under this Agreement, and pursue any other remedies available at law or in equity.

12. Limitation of Liability

The Cooperative shall not be liable for interruptions or fluctuations in Service, market price changes, transmission constraints or failures, or any indirect, consequential, or economic damages, except to the extent caused by the Cooperative's gross negligence or willful misconduct.

13. Indemnification

Member 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 arising out of or related to Member's use of Service or failure to comply with its obligations under this Agreement, except to the extent caused by the Cooperative's gross negligence or willful misconduct.

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: _____

Member

By: _____

Name: _____

Title: _____

Company: _____

Date: _____