

Operational Agreement (1/20/2023)

OPERATIONS AGREEMENT FOR ENERGY STORAGE SOLUTIONS

ALL FIELDS ON THIS PAGE ARE REQUIRED TO COMPLETE YOUR APPLICATION

Electric Distribution Company Serving Site of Installation	Eversource	United Illuminating
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CUSTOMER/ACCOUNT HOLDER INFORMATION

Customer's Name	Name on Account (if different)	Phone	
Street Address	City	State	Zip
Electric Account Number	Email Address		

THIRD-PARTY OWNER INFORMATION (if applicable)

Company Name	Contact Name	Phone	
Street Address	City	State	Zip
Email Address			

BATTERY ENERGY STORAGE SYSTEM (BESS) INFORMATION

BESS Manufacturer:	Inverter Model Number	Battery Model Number
Max Power Rating (KW):	Continuous Power Rating (KW):	Usable Energy Rating (kWh):
Round Trip Efficiency:	Unique Battery ID:	
Is BESS Paired with PV Solar	Yes	No

OTHER INFORMATION

Performance incentives should be sent to:	Customer	Third-Party Owner
Party responsible for "last mile" service (Operator):	BESS Manufacturer	Third-Party Owner

CUSTOMER ACCEPTANCE OF TERMS AND CONDITIONS

I CERTIFY THAT I HAVE READ AND AGREE TO THE OPERATIONAL TERMS AND CONDITIONS AND OBLIGATIONS IN THIS OPERATING

AGREEMENT

DATE PRINT NAME AUTHORIZED SIGNATURE

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OPERATIONAL REQUIREMENTS FOR PARTICIPATION

Energy Storage Solutions (Program) is a voluntary incentive program offered for Battery Energy Storage Systems (BESS) to residential, commercial, and industrial customers of Eversource and The United Illuminating Company (UI) (Electric Distribution Companies (EDCs)). Residential, commercial, and industrial customers of the EDCs are eligible to participate in the Program. Detailed information about the Program can be found in the Program Manual. The operation of the Program consists of two dispatch strategies (i.e., EDCs call on BESS to provide electricity to support the electric grid):

Passive Dispatch: All BESS systems installed and receiving upfront incentives as part of the Program will be interconnected with Passive Dispatch as the default system setting by the Operator.

Active Dispatch: A performance-based incentive structure that compensates participants for the average kW dispatched during events over the summer and winter seasons.

Key Definitions

BESS: Battery Energy Storage System, as described in the Program Manual.

Customer: The residential or commercial entity owning the premise where the battery is installed and maintaining an active electric account with the EDCs.

Contractor: The entity responsible for development of the BESS project with the Customer and (where applicable) Third-Party Owner.

Third-Party Owner: A third-party entity that owns the BESS and maintains a lease or power-purchase agreement with the Customer.

Operator: The party responsible for “last mile” communications to the BESS. This could be the BESS Manufacturer or Third-Party Owner.

Last Mile: Refers to the telemetry and associated BESS communication and data transfer by Operator.

DERMS: The “Distributed Energy Management System” is the platform utilized by the EDCs to notify the Operators of scheduled events requiring BESS actions.

Term: The duration of this agreement will be 10 years beginning on Commercial Operation Date (as defined in the Program Manual).

Operational Requirements for Participation in Program

BESS Operating Requirements: BESSs in the Program must be connected to and responsive to the DERMS with the following minimum control and monitoring aspects:

Telemetry: The Customer's Operator must provide the telemetry (i.e., data from the BESS) capable of communicating the minimum data elements as listed in the Program Manual. Telemetry must ensure data can be provided to the DERMS at intervals not to exceed 15 minutes with a maximum latency of 15 minutes.

System Monitoring: The Customer's Operator must ensure the BESS is capable of continuously monitoring and reporting BESS minimum status data as listed in the Program Manual.

BESS Functionality: The BESS must include functionality for remote charging, discharging, and ramp rate control operations for all 24 hours in a day, 365 days a year, and be capable of managing the state of charge while being synced to the distribution system grid.

Connectivity: The BESS must maintain connectivity to the DERMS throughout the term of this agreement.

Maintenance and Reporting: Over the full term of the agreement, the Customer will ensure that a) the battery is properly maintained (i.e., manufacturer-recommended maintenance is performed), and b) interconnection connections and internet service provider connectivity is maintained. The Customer's Operator will ensure the BESS meets the minimum reporting requirements under the Program.

- **Contact Information:** To accurately receive applicable notifications, Customers and Operators are responsible for notifying the EDCs of changes in contact information.

Dispatching Requirements

Customers are obligated to participate in the following EDC dispatch activities required by the Program:

- **Passive Dispatch¹**
 - **Notification:** For BESS systems receiving upfront incentives, the EDCs' DERMS will provide advance seasonal notification to the Customer's Operator who will implement discharge requirements to the Customer's BESS and comply with the following schedule for Passive Dispatch:
 - **Event Window and Frequency:** Passive Dispatch will occur Monday through Friday in the months of June, July, and August, except for holidays. Passive Dispatch hours will be between 3 PM and 8 PM Eastern.
 - **Discharge:** Operator will ensure the battery discharges its available energy capacity at a constant rate in each hour during the 5-hour dispatch window, while maintaining a minimum reserve of 20% of rated battery capacity.
 - **Participation Term:** The Customer will participate in Passive Dispatch activities for the term of this agreement.
- **Active Dispatch**
 - **Notification:** When ISO New England forecasts electric grid capacity constraints, the EDCs will provide notification to the Operator via the DERMS at least 24 hours in advance of the start of the Active Dispatch event. Notification will be provided to the Customer's Operator via an approved Application Programming Interface or Open Automated Demand Response Protocol. Residential BESS Operators who have been granted permission to communicate through secure File Transfer Protocol until July 1, 2022 will receive notification by email from the DERMS.

¹ Only required when Customer is requesting an Upfront Incentive

- **Event Windows and Frequency:** The EDCs may initiate between 30 to 60 requests for Active Dispatch from June through September and up to 5 requests from November through March. The Active Dispatch event will be a maximum of 3 hours between the hours of 12 noon to 9 PM Eastern.
- **Discharge:** DERMS will request Operators to fully discharge Customers' BESS during events. Actual performance will be verified based on data captured by the Customer's Operator and reported back to the DERMS.
- **Active Dispatch Performance:** To receive performance incentives, Customers must participate in Active Dispatch events. If a Customer does not participate in an event, they will receive 0 kW performance for that event. The Customer's performance incentive is based on the average kW discharge from all events called during each dispatch season (i.e., summer or winter).

Override Conditions

During the term of this Operating Agreement, the EDCs may require an override of a scheduled dispatch event (i.e., cancel or change the timing of an event) based on the following circumstances:

- **Overriding Passive Dispatch with Active Dispatch Events:** If an Active Dispatch event is scheduled by the EDCs during a day with Passive Dispatch already scheduled, the DERMS will send notification to the Operator with start time, stop time, and duration of an active event at least 24 hours in advance. The planned Passive Dispatch for the scheduled day will be canceled at that time by the Operator. The Customer will also receive email notification that the Passive Dispatch was canceled at least 24 hours in advance of the planned Active Dispatch.
- **Other Override Conditions:** EDCs may also override scheduled dispatch events (Passive or Active) for the following reasons:
 - **Grid Safety and Reliability:** Critical system events that impact system voltage levels, system stability, and safety, or distribution system events that are considered emergencies by the EDCs may require override of a Customer's BESS. While such conditions are rare, the EDCs will attempt to provide advance notification whenever possible, dependent on the nature of the event. Notification would be provided to the Operator via established communication protocol. Customers will also receive an email notification that the scheduled event is being canceled.
 - **Forecasted Severe Weather Conditions:** Known severe weather events that are anticipated to trigger the EDCs' Emergency Restoration Plan level 1-5 activities may also generate conditions which require an override of scheduled events to ensure the Customer's backup capacity is available in case an outage is experienced by the Customer. In such an event, EDCs, via their DERMS, will initiate cancellation notification to Operators of all planned dispatch events (Passive and Active) 48 hours in advance whenever possible. Notification will also be provided to Customers that scheduled events are being canceled due to severe weather conditions. The cancellation will continue until restoration of incurred outages has been completed.

TERMS AND CONDITIONS

1. Incentives

Subject to these Terms and Conditions, the Electric Distribution Companies (EDCs) will pay Incentives to the Customer or their designated Operator based on performance during Active Dispatching events.

2. Definitions

- a) "Customer" means the residential or commercial customer owning the premise where the battery is installed and maintaining an active electric account with the EDCs.
- b) "Operator" means the party responsible for "last mile" communications to the BESS. This could be the BESS Manufacturer or Third-Party Owner.
- c) "BESS" refers to Battery Energy Storage System as described in the Program Manual.
- d) "Facility" means the Customer location served by the EDCs where BESSs are to be installed.
- e) "Incentives" means those payments made by the EDCs to Customers or to their designated Operator pursuant to the Program Materials and these Terms and Conditions. Incentives may also be referred to as "Rebates".
- f) "Program" means the Energy Storage Solutions offerings provided by the EDCs to Customers.
- g) "Electric Distribution Company" or "EDC" means The Connecticut Light and Power Company dba Eversource or United Illuminating (UI).
- h) "Program Materials" means the documents and information provided by the EDCs specifying the qualifying BESS, technology requirements, costs, and other Program requirements, which include, without limitation, Program guidelines, Program requirements, and application forms.
- i) "ISO-New England" is the entity responsible for reliably operating New England's bulk electric power generation and transmission system.

3. Operational Agreement Process and Requirement for EDC Approval

- a) The Customer shall submit a completed and executed Operational Agreement in the form specified by the EDCs.
- b) Customer agrees to provide EDC vendors or contractors access to utility data, including usage and billing.
- c) The EDC is not obligated to pay any incentives until the customer has completed all Program requirements to obtain approval for a Commercial Operation date and has demonstrated performance in accordance with the Program Manual.
- d) The EDCs reserve the right to approve or disapprove of any Operational Agreement.
- e) All storage-related projects are required to receive approval through the EDC's Interconnection Process. Participation in the Program does not alter the Customer's Interconnection Service Agreement.

4. Pre and Post Installation Verification

If the EDC determines that the BESS was not installed in accordance with these Terms and Conditions, the Program Materials, and Program Administrator's Approval, the EDC shall have the right to require modifications before having the obligations to make any incentive payments.

5. Monitoring and Inspection

As a condition of receiving an incentive, the Customer and/or Operator agree to provide site access and information pertaining to the BESS to the EDC and cooperate with the EDC regarding such activity. By participating in the Program, the Customer and Operator acknowledge and agree that no activity by the EDC includes any kind of safety, code or other compliance review. Customer agrees that EDC may perform monitoring and inspection of the BESS for a three-year period following completion of the installation in order to determine the actual demand reduction (discharge) and energy savings.

6. Incentive Amounts, Requirements for Incentives, and Incentive Payment Conditions

- a) The EDCs reserve the right to adjust and/or negotiate the Incentive amount.
- b) The EDCs shall not be obligated to pay the Incentive amount until all the following conditions are met:
 - (1) The customer has an approved Commercial Operation Date.
 - (2) All applicable permits, licenses, and inspections have been obtained by Customer.
- c) Upon the EDCs written request, the Customer will be required to refund any Incentives paid if the Customer does not comply with these Terms and Conditions and Program requirements.
- d) The EDCs shall use commercially reasonable efforts to pay the Incentive amount within six to eight weeks after the end of each program season.

7. Program/Terms and Conditions Changes

The EDCs reserve the right, for any reason, to withhold approval of BESSs, and to cancel or alter the Program, at any time without notice. Approved Operation Agreements will be processed under the Terms and Conditions and Program Materials in effect as of the date the Operational Agreement was approved by the EDCs.

8. Publicity of Customer Participation

The Customer grants to the EDC the right to use and reference for promotional and regulatory purposes the Customer's participation in the program, the details of the BESS project and the energy savings or demand reduction (discharge), the amount of incentives paid to the Customer, and any other information relating to the Customer's participation in the Program.

9. Indemnification and Limitation of the EDCs' Liability

The Customer shall indemnify, defend, and hold harmless the EDCs, their affiliates and their respective contractors, officers, directors, employees, agents, and representatives from and against any and all claims, damages, losses and expenses, including reasonable attorneys' fees and costs incurred to enforce this indemnity, arising out of, resulting from, or related to the Program or the performance of any services or other work in connection with the Program ("Damages"), caused or alleged to be caused in whole or in part by any actual or alleged act or omission of the Customer, any subcontractor, agent, or third party, or anyone directly or indirectly employed by any of them or anyone for whose acts may be liable. To the fullest extent allowed by law, the EDCs' aggregate liability, regardless of the number of claims, shall be limited to paying approved Incentives in accordance with these Terms and Conditions and the Program Materials, and the EDCs and their affiliates and their respective contractors, officers, directors, employees, agents, and representatives shall not be liable to the Customer or any other party for any other obligation. To the fullest extent allowed by law and as part of the consideration for participation in the Program, the Customer waives and releases the EDCs and their affiliates from all obligations (other than payment of an Incentive), and for any liability or claim associated with the BESS, the performance of the BESS, the Program, or these Terms and Conditions.

10. No Warranties or Representations by the EDCs

- a) THE EDCs DO NOT ENDORSE, GUARANTEE, OR WARRANT ANY CONTRACTOR, MANUFACTURER OR PRODUCT, AND THE EDCs MAKE NO WARRANTIES OR GUARANTEES IN CONNECTION WITH ANY PROJECT, OR ANY SERVICES PERFORMED IN CONNECTION HERewith OR THEREWITH, WHETHER STATUTORY, ORAL, WRITTEN, EXPRESS, OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THIS DISCLAIMER SHALL SURVIVE ANY CANCELLATION, COMPLETION, TERMINATION OR EXPIRATION OF THE CUSTOMER'S PARTICIPATION IN THE PROGRAM. THE CUSTOMER ACKNOWLEDGES AND AGREES THAT ANY WARRANTIES PROVIDED BY ORIGINAL MANUFACTURERS, LICENSORS, OR PROVIDER' OF MATERIAL, EQUIPMENT, OR OTHER ITEMS PROVIDED OR USED IN CONNECTION WITH THE PROGRAM UNDER THESE TERMS AND CONDITIONS, INCLUDING ITEMS INCORPORATED IN THE PROGRAM, ("THIRD PARTY WARRANTIES") ARE NOT TO BE CONSIDERED WARRANTIES OF THE EDCS AND THE EDCs MAKE NO REPRESENTATIONS, GUARANTEES, OR

WARRANTIES AS TO THE APPLICABILITY OR ENFORCEABILITY OF ANY SUCH THIRD-PARTY WARRANTIES. THE TERMS OF THIS SECTION SHALL GOVERN OVER ANY CONTRARY VERBAL STATEMENTS OR LANGUAGE APPEARING IN ANY EDCS' OTHER DOCUMENTS.

- b) Neither the EDCs nor any of their employees or contractors are responsible for determining that the design, engineering, or installation of the BESS is proper or complies with any particular laws, codes, or industry standards. The EDCs do not make any representations of any kind regarding the benefits or energy savings and/or demand reduction to be achieved by the BESS or the adequacy or safety of the BESS.
- c) The Customer agrees that he or she is responsible (directly based on his or her own judgment, or indirectly based on the advice of an independent expert but not the EDCs) for all aspects of the BESS and related work, including but not limited to: selecting the equipment; selecting Contractors to perform the work; inspecting the work and the equipment; ensuring that the equipment is in good working order and condition; ensuring that the equipment is of the manufacture, design specifications, size, and capacity selected by the Customer and/or their designated Operator, and that the same is properly installed and suitable for the Customer's or the OPERATOR's purposes; and determining if work was properly performed.
- d) The Customer agrees and acknowledges that each of the EDCs are not manufacturers of, or regularly engaged in the sale or distribution of, or experts with regard to, any equipment or work.
- e) The provisions of this Section 10 shall survive the termination, cancellation, or completion of the Customer's or their designated Operator's participation in the Program.

11. Equipment, Contractor Selection, and Contracting

The Customer or their designated Operator is responsible for selecting and contracting with the design and installation Contractor(s) if different than said Operator. The Customer's Operator shall be responsible for enforcing all such contracts and for assuring that the BESS meets Program requirements and applicable laws, regulations, and codes, and that the Contractor(s) are properly qualified, licensed, and insured. Notwithstanding the foregoing, the Customer acknowledges that the EDCs reserve the right to deny an Operator or Contractor to participate in this Program or provide equipment or services. The EDCs also have the right to exclude certain equipment from the Program.

12. Removal of Equipment

The Customer agrees, as a condition of participation in the Program, to properly remove and dispose of or recycle the equipment and components in accordance with all applicable laws, and regulations and codes. The Customer agrees not to re-install any of removed equipment in the state of Connecticut or the service territory of any affiliate of the EDCs and assumes all risk and liability associated with the reuse and disposal thereof.

13. Energy and Demand Reduction Benefits

The EDCs are entitled to 100% benefits and rights associated with the BESS.

14. Customer and OPERATOR Must Declare and Pay All Taxes

The benefits conferred upon the Customer or their designated Operator through participation in this Program may be taxable by the federal, state, and/or local government. The Customer is responsible for declaring and paying all such taxes assessed to the Customer. The Operator is responsible for declaring and paying all such taxes assessed to the Operator. The EDCs are not responsible for the payment of any such taxes.

15. Counterpart Execution; Scanned Copy

Any and all agreements and documents requiring signature related hereto may be executed in several counterparts, each of which, when executed, shall be deemed to be an original, but all of which together shall constitute one and the same instrument. A scanned or electronically reproduced copy or image of such agreements and documents bearing the signatures of the parties shall be deemed an original and may be introduced or submitted in any action or proceeding as competent evidence of the execution, terms, and existence of such agreements and documents, notwithstanding the failure or inability to produce or tender an original, executed counterpart of the same and without the requirement that the unavailability of such original, executed counterpart of the same first be proven.

16. Interconnection Service Agreement

Participation in this program must be done in compliance with the Connecticut Public Utilities Regulatory Authority-approved Guidelines for Interconnection and the Customer's Interconnection Service Agreement, if applicable.

17. Miscellaneous

- a) Paragraph headings are for the convenience of the parties only and are not to be construed as part of these Terms and Conditions.
- b) If any provision of these Terms and Conditions is deemed invalid by any court or administrative body having jurisdiction, such ruling shall not invalidate any other provision, and the remaining provisions shall remain in full force and effect in accordance with their terms.
- c) These Terms and Conditions shall be interpreted and enforced according to the laws of the state of Connecticut.
- d) In the event of any conflict or inconsistency between these Terms and Conditions and any Program Materials, these Terms and Conditions shall be controlling.
- e) Except as expressly provided herein, there shall be no modification or amendment to these Terms and Conditions or the Program Materials unless such modification or amendment is in writing and signed by a duly authorized officer of the EDCs.
- f) The provisions of Sections 4, 5, 6, 7, 8, 9, 10, and 11 (including any other sections herein that specifies by its terms that it survives termination) shall survive the termination or expiration of the Customer's participation in the Program.

18. EDC Acceptance of Application and Customer's Participation Timeframe

The Customer's participation in the Program is contingent upon the Program Administrator's approval of the Operational Agreement for a term of ten (10) years unless the Customer notifies the Operator of its intention to withdraw from the Program or the Program Administrator terminates the Customers' participation in accordance with the above Terms and Conditions

This program is overseen by the Public Utilities Regulatory Authority (PURA), is paid for by ratepayers, and is administered by the Green Bank, Eversource, and UI.