

## VIRTUAL NET METERING SERVICE AGREEMENT

### 1. Parties

This Agreement is entered into by and between \_\_\_\_\_, LLC (“Turbine Owner”) and \_\_\_\_\_ (“Virtual Net Metering Service Subscriber” or “Subscriber”), collectively the “Parties,” on \_\_\_\_\_.

### 2. Definitions

“Community Trustee” shall mean \_\_\_\_\_, a trusted member of the local community.

“Construction Date” means the date on which the Turbine Owner demonstrates it has both (1) a building permit to construct the Turbine and (2) an interconnection agreement for the Turbine.

“Turbine” means the \_\_\_\_\_ kW wind turbine located at \_\_\_\_\_ WA.

“Turbine Online Date” means the date on which the Turbine begins generating electricity that is sold to Puget Sound Energy, Inc. pursuant to a Power Purchase Agreement.

“Turbine Output” means the gross dollar amount received from Puget Sound Energy for the sale of electricity generated by the Turbine. It does not include any other funds that the Turbine owner may receive from any party, including, but not limited to, Puget Sound Energy, for any other purpose such as, but not limited to, capacity payments or renewable energy certificate sales.

“Virtual Net Metering Service Subscription” means one percent (1%) of the Turbine Output and one percent (1%) of Turbine-generated renewable energy credits retired on subscriber’s behalf for twenty (20) years.

### 3. Term

This Agreement and the Subscriber's rights under this Agreement terminate on the twentieth (20<sup>th</sup>) anniversary of the Turbine Online Date.

### 4. Virtual Net Metering Service Subscription Purchase Price

The Turbine owner agrees to sell and the Subscriber agrees to purchase \_\_\_\_\_ (\_\_\_\_\_) Virtual Net Metering Service Subscription(s) (“Subscription(s)”). The price for each Subscription is \_\_\_\_\_ thousand dollars (\$\_\_\_\_,000) for a total purchase price of \_\_\_\_\_ Dollars (\$\_\_\_\_\_).

The Parties agree that the Subscription purchase is not a loan. The Turbine Owner will not pay and is not obligated to pay interest on the purchase price to the Subscriber. Additionally, the purchase price is not principal to be returned to the Subscriber. The Parties further agree that the Subscription is not a security. The Subscriber does not obtain any ownership interest in the Turbine nor the Turbine Owner. The Subscriber is not responsible for any cost related to the Turbine nor the Turbine Owner and assumes no legal liability related to the Turbine nor the Turbine Owner, except as set forth in this Agreement.

### 5. Virtual Net Metering Service

The Parties agree that the purpose of this Agreement for the Subscriber is to approximate as closely as possible the outcome between the Subscriber and electric utility if the Subscriber were to install a smaller wind turbine connected directly to the Subscriber's electric meter. Accordingly, the Turbine Owner shall pay the Subscriber's Subscription payments directly to the Subscriber's electric utility \_\_\_\_\_ to credit the Subscriber's account # \_\_\_\_\_. Subscription payments will be made quarterly [four (4) times per year].

The Turbine Owner may engage a third party to administer the Subscription payments to utilities. The Subscriber agrees to provide the Turbine Owner and any third party engaged to administer the Subscription payments with sufficient information concerning the Subscriber's electric utility and account to allow Subscription payments to be made to the account. Any such information provided will be kept confidential.

Upon written notice to the Turbine Owner, the Subscriber may change the electric utility and/or account to which Subscription payments are made. A fifty dollar (\$50) transaction fee will be charged to the Subscriber for each change in electric utility and or account. The fee may be waived at the sole discretion of the Turbine Owner.

### 6. Refund

The Subscriber may not sell, gift, assign or otherwise transfer its Subscription(s). Subscribers may request refunds beginning three (3) years after the Turbine Online Date or with Turbine Owner consent. Subscribers requesting a refund of their subscription, or a portion thereof, will receive refunds by the end of the calendar year from the Turbine Owner provided there are sufficient net profits to fulfill all refund requests. In the event that refund requests exceed net profits, then net profits will be divided equally among subscribers requesting refunds, up to but not exceeding each refund amount requested. Refund value for each Subscription shall be the purchase price prorated for the remaining term of the Subscription. Refund value = Price (\$) x  $\frac{\text{time remaining}}{20 \text{ years}}$

### 7. Pre-Construction

Subscription purchase price funds received before the Construction Date shall be deposited into a CD which requires authorization from both the Turbine Owner and the Community Trustee to release said funds. The purchase price funds may be released to the Turbine Owner on or after the Construction Date. Interest, if any accumulated on the purchase price funds while being held as a CD, shall be paid to the Subscriber after the purchase price funds are released to the Turbine Owner.

If the Construction date does not occur within two (2) years of receipt of the Subscription purchase price funds, then the Subscriber may terminate this Agreement upon written notice to the Turbine Owner. Upon termination, the Subscription purchase price and accumulated interest are returned to Subscriber.

### 8. Turbine Change

Before the Construction date, the Turbine Owner may change the Turbine in its sole discretion. If the Turbine is changed, then the Subscriber will have the option of (1) accepting a substitute Virtual Net Metering Service Agreement ("Substitute Agreement") offered by the Turbine Owner in place of this Agreement, or (2) terminating this Agreement and receiving a refund of the purchase price and any interest that has accumulated on the purchase price funds. The Turbine Owner shall provide written notice to the Subscriber of any Turbine change and any differences between this Agreement and the Substitute Agreement offered. The Subscriber shall be deemed to have accepted the Substitute Agreement unless, within fifteen days of the Turbine Owner's notice, it provides written notice to the Turbine Owner that it has elected to terminate this Agreement.

### 9. Miscellaneous Terms

This Agreement constitutes the entire agreement between the Parties. This Agreement may be amended only by a writing signed by the Parties or as described above. The Parties may sign this Agreement and future amendments, if any, by electronic or digital means and on counterparts, which together constitute the original. This Agreement will be governed by the laws of the State of Washington. Whatcom County, Washington shall be the only forum for any dispute arising under this Agreement.

**Turbine Owner**

**Subscriber**

\_\_\_\_\_, LLC

By: Cascade Community Wind Company, LLC  
Its: Managing Member

\_\_\_\_\_  
By: Terrance Meyer

\_\_\_\_\_  
Print name:

Its: Managing Member

SAMPLE