

Rate CPE (Contract for Purchased Energy) -- Attachment B

CONTRACT FOR THE PURCHASE OF EXCESS ENERGY

This Contract for the Purchase of Excess Energy ("Purchase Contract"), dated as of [Month, Day, Year], is attached to and made a part of the Contract for Electric Service in effect between ALABAMA POWER COMPANY ("Company") and [Customer Name] ("Customer") (hereinafter referred to as the "Contract for Electric Service"). Company and Customer may be individually referred to as a "Party" or collectively as the "Parties".

RECITALS

WHEREAS, Customer has sited on its Premises a generating facility that has been certified as a Qualifying Facility ("QF") in accordance with the applicable requirements of the Federal Energy Regulatory Commission ("FERC"); and

WHEREAS, Customer anticipates that it will be able, from time to time, to generate electric energy from the QF in excess of Customer's power requirements at the Premises; and

WHEREAS, Customer desires to supply and sell, and Company is willing to receive and purchase, such excess energy consistent with Company's obligations under the provisions of Part 292 of Title 18 of the Code of Federal Regulations implementing the Public Utilities Regulatory Policies Act ("PURPA") of 1978, and pursuant to the terms set forth in this Purchase Contract and Rate CPE (Contract for Purchased Energy).

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the Parties covenant and agree as follows:

- A. This Purchase Contract shall be for a term of one (1) year, subject to automatic renewal for additional one-year periods unless terminated by Customer upon ninety (90) days' written notice to Company. It is the responsibility of Customer to maintain certification of its QF with FERC. If at any time the QF no longer qualifies for certification with FERC pursuant to 18 C.F.R. § 292.207(d), Customer shall immediately provide written notice to Company. Company shall have the unilateral right to immediately terminate this Purchase Contract upon receipt of Customer's written notice.
- B. All energy sales to Company by Customer shall be at the Delivery Point, as defined in the Contract for Electric Service. Except as otherwise expressly provided herein, Customer shall operate QF in accordance with the requirements of the Special Rules Governing the Application of Rate Rider RGB or any successor in function. As circumstances require, Company shall develop operating procedures to further define the parameters surrounding Customer's operation of the QF in parallel with the Company's system. Customer, at its expense, shall maintain and operate the QF so that it does not cause unacceptable voltage fluctuations, harmonically related disturbances, overload, or other disturbances on Company's electrical and communications systems, or affect the safe, economical and reliable operation of Company's electric system. Customer, at its expense, shall immediately correct any such unacceptable conditions, including the provision of suitable apparatus to prevent or cure such effects where necessary.
- C. Customer represents and warrants that it is the owner of the QF made subject of this Purchase Contract, and that the QF and all associated equipment, including but not limited to equipment necessary for the production of energy and the consumption of such energy by Customer, is not subject to or contingent upon any lease, rental, or financing agreement or arrangement with any third party. Customer further represents and warrants that it will use the QF and all associated equipment only for the electric needs at the premises for which Customer is the accountholder and at which the QF is sited, except as otherwise allowed by this Purchase Contract.
- D. The energy delivered to Company by Customer shall be measured by suitable meters and instruments owned by Company and installed, at Customer's sole cost and expense, at or near the Delivery Point. The Company shall read the meters each month in accordance with the rules and regulations of the Alabama Public Service Commission ("APSC").

- E. Customer shall be responsible for all costs incurred by Company to receive the energy delivered to Company by Customer including charges for reactive power.
- F. Customer shall pay Company a Monthly Administrative Charge not to exceed \$1,000 each month as compensation for all costs and expenses incurred by Company during such month in connection with Company's administration of this Purchase Contract, reading meters and accounting for capacity and energy. Contemporaneously with any renewal of this Purchase Contract, Company reserves the right to modify the Monthly Administrative Charge to reflect any changes in the aforementioned costs; provided, however, that the Monthly Administrative Charge shall not exceed \$1,000 absent approval by the APSC. For purposes of this Contract, the Monthly Administrative Charge shall be \$_____.
- G. Company shall pay Customer monthly for energy delivered by Customer to Company, net of charges for reactive power and Monthly Administrative Charge, in accordance with the rate schedule set forth in the Company's Rate CPE.
- H. In receiving the energy from Customer in accordance with this Purchase Contract, Company also shall receive any associated electrical products including, without limitation, spinning reserves, operating reserves, balancing energy, regulation service, reactive power and voltage control, and Customer shall not be entitled to any separate or additional compensation for such products; provided, however, Company shall not receive any environmental attributes that may be created as a result of the energy generated by Customer. The rates for purchase of excess energy shall be subject to modification by Company from time to time, but no less than annually, to reflect the approval by the APSC of updates to the Company's Rate CPE, its successor in function, or any other applicable rate that uses the Company's projected avoided cost data to establish pricing for energy purchases from Qualifying Facilities.
- I. Company shall have no liability to Customer under any legal or equitable theory for any failure or inability of Customer to consummate any sale of environmental attributes or to have any environmental attributes certified by any organization for any purpose. Customer shall indemnify and hold Company harmless from any costs reasonably incurred by Company in defending any claim related to environmental attributes generated by Customer.
- J. Effectiveness of this Purchase Contract is contingent on its review by the APSC, in accordance with the terms and conditions of Rate CPE and the Commission's Order in Docket No. U-5213, dated March 7, 2017. This Purchase Contract shall be effective no earlier than the later of thirty (30) days from the date of its submission by Company to the APSC for review or [Month, Day, Year].

IN WITNESS WHEREOF, the Parties have caused this Purchase Contract to be executed by their duly authorized representatives to be effective as of the first date set forth above.

CUSTOMER

ALABAMA POWER COMPANY

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____