

PUBLIC SERVICE COMPANY OF NEW MEXICO

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CANCELING 1ST REVISED SAMPLE FORM NO. 92

STANDARD SMALL SOLAR RENEWABLE ENERGY CERTIFICATE PURCHASE AGREEMENT
FOR PARTICIPATION IN PNM'S SOLAR REC INCENTIVE PROGRAM

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Standard Small Solar Renewable Energy Certificate Purchase
Agreement for Participation in PNM's Solar REC Incentive Program

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NEW MEXICO
PUBLIC REGULATION
COMMISSION
2012 DEC 13 11 14 55

EFFECTIVE

JAN - 1 2013

REPLACED BY NMPRC

BY Final order Case No. 12-00131-UT

Advice Notice No. 459


Gerard T. Ortiz
Vice President, PNM Regulatory Affairs

OCG#515876

PUBLIC SERVICE COMPANY OF NEW MEXICO
AGREEMENT NO. _____

STANDARD SMALL SOLAR RENEWABLE ENERGY
CERTIFICATE PURCHASE AGREEMENT FOR
PARTICIPATION IN PNM'S SOLAR REC INCENTIVE PROGRAM

THIS AGREEMENT is made and entered into as of the Effective Date, as hereinafter defined, by and between _____ ("Customer") and Public Service Company of New Mexico ("PNM") (individually "Party" or collectively "Parties").

WHEREAS, Customer owns or leases the Premises on which the Small Solar Facility described in Section 1 below is located; and

WHEREAS, in accordance with 17.9.572.13.C NMAC, Customer is the owner of certain small solar renewable energy certificates associated with the electricity generated by the Small Solar Facility and consumed on the Premises ("Small Solar RECs") either because Customer owns the Small Solar Facility or because Customer has entered into an agreement with the third party owner by which Customer will acquire all the Small Solar RECs; and

WHEREAS, Customer desires to sell and PNM desires to purchase the Small Solar RECs owned by Customer associated with the generation of electricity from the Small Solar Facility pursuant to the terms of this Agreement and as provided in PNM Rate No. 32;

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

1. **SOLAR FACILITY.** Customer owns or leases the Premises on which the following solar photovoltaic or solar thermal electric facility (the "Small Solar Facility") is located. The Small Solar Facility is associated with PNM electric service account number _____ ("Electric Service Account"), and which is interconnected to PNM's electric distribution pursuant to Standard Interconnection Agreement, PNM Electric Service Agreement No. _____ ("Interconnection Agreement"), effective on _____:

Solar Facility address (Premises): _____

Rated solar generating capacity: _____ STC (kW_{DC} STC)

kW_{DC} STC is defined as the rated total capacity of the installed panels or collector at their DC output.

2. PURCHASE AND DELIVERY OF SMALL SOLAR RECs. PNM will purchase from Customer, and Customer will deliver to PNM, Small Solar RECs generated by the Solar Facility. The applicable rate is IncentiveLevel cents per kWh as set forth in the Notice of Completion of Application and REC Reservation. The payment for the Small Solar RECs will be calculated by multiplying the applicable rate by the number of kWh of energy generated by the Solar Facility as measured by a PNM meter as further described in Section 4 of this Agreement. PNM will pay Customer for the Small Solar RECs by crediting Customer's monthly electric service bill unless the Customer is leasing the Premises to a tenant.

For Customers occupying the Premises: If payment for the Small Solar RECs exceeds the Customer's monthly electric service bill, a credit will be applied to the following month's electric service bill, provided that the balance does not exceed twenty dollars (\$20.00). If the balance exceeds twenty dollars (\$20.00), PNM will issue a check to Customer for the entire balance before the beginning of the Customer's next billing cycle.

For Customers leasing the Premises to a tenant: PNM will pay Customer for the Small Solar RECs generated by the Solar Facility located at the Premises on a monthly basis, provided the payment exceeds twenty dollars (\$20.00).

Payments for Small Solar RECs will commence in the billing period subsequent to the execution of a Standard Interconnection Agreement and subsequent to PNM's receipt and execution of this Agreement. Purchase of Small Solar RECs produced by generating capacity added to the Solar Facility after execution of this Agreement will be made in accordance with Section 3 below.

3. MODIFICATION OF GENERATING FACILITIES. The rated capacity of the Solar Facility shall not be increased without prior approval of PNM and shall not be increased to a capacity exceeding $10 kW_{AC}$ in any event. PNM will purchase Small Solar RECs generated by a modified Solar Facility only upon execution of a new REC Purchase Agreement, at the applicable rate as of the effective date of that agreement.
4. METERING. Customer shall provide and install a meter socket to accommodate a PNM meter that measures only the total output of the Solar Facility inverter. This meter socket shall be installed in accordance with PNM's standard meter specifications and shall be in addition to the PNM meter socket used for the normal billing meter. Unless otherwise approved by PNM, this second meter socket shall be physically located next to the Customer-provided meter socket for the PNM electric billing meter. PNM shall furnish and install a standard kilowatt-hour meter for the purpose of measuring the total output of the Solar Facility inverter.

Attached hereto and incorporated herein as Appendix A is Customer's application for sale of Small Solar RECs, that includes a one-line diagram showing the Solar Facility, the interconnection equipment, breaker panel(s), PNM required disconnect switches, PNM meters and other required information. Customer represents and warrants that the information contained in Appendix A is accurate to the best of Customer's knowledge as of the date of this Agreement.

5. TERM OF AGREEMENT. This Agreement shall be in effect for eight years from the Effective Date, unless terminated as provided herein. x
6. TERMINATION. This Agreement shall automatically terminate (a) upon execution of a new REC Purchase Agreement between Customer and PNM; or (b) sixty (60) days after Customer closes the Electric Service Account unless Customer assigns this Agreement and the Interconnection Agreement as provided herein; or (c) upon termination of the Interconnection Agreement.

This Agreement may be terminated by the non-breaching Party in the event of any material breach of this Agreement that is not cured by the breaching Party within thirty (30) days of written notice from the other Party, or, if such breach is not susceptible to cure within thirty (30) days, if the breaching Party has not commenced to cure the breach within thirty (30) days and/or fails to proceed with reasonable diligence to cure such breach. Under no circumstances, however, shall the total cure period exceed ninety (90) days. If the breaching Party fails to cure the breach within the applicable cure period, the non-breaching Party may (a) terminate this Agreement, upon five (5) business day's notice to breaching Party, and (b) exercise such other remedies as may be available at law or in equity or as otherwise provided in this Agreement.

If this Agreement is terminated for any reason, the final Small Solar REC payment will be calculated based on the last meter reading at the Premises. For Customers occupying the Premises, the final Small Solar REC payment will be calculated and applied to Customer's final electric bill. For Customers leasing the Premises to a tenant, the final Small Solar REC payment will be calculated and paid directly to the Customer within thirty (30) calendar days. PNM may offset any final Small Solar REC payment amount against any amounts owed to PNM by Customer.

7. TRANSFER OF PREMISES; ASSIGNMENT OF AGREEMENT. If Customer sells the Premises and associated Solar Facility, Customer may assign this Agreement and the Interconnection Agreement to the new owner of the Premises. Such assignments must be made within sixty (60) days of the date the Customer terminates the Electric Service Account. If this Agreement and the Interconnection Agreement are not assigned within the 60-day period, this Agreement terminates.
8. RELOCATION OF SOLAR FACILITY. If Customer relocates the Solar Facility in its entirety to a different property within PNM's service area, Customer shall: (a) notify PNM of such relocation within 30 days before the Solar Facility is relocated; (b) submit a new Application for Interconnection for the new premises; (c) complete

the interconnection process; and (d) amend this Agreement to reflect the new premises, electric service account and interconnection agreement number.

9. **INTERRUPTION OR REDUCTION OF DELIVERIES.** PNM shall not be obligated to pay for a reduction in the number of Small Solar RECs caused by interruptions of utility service or by utility required Solar Facility shutdowns as specified in the executed Standard Interconnection Agreement. If service to the Electric Service Account is discontinued for any time period for any reason permitted under applicable NMPRC rules: (a) PNM shall have no liability for and shall not pay Customer for any actual or potential generation that may or could have occurred while such service was discontinued; and (b) PNM shall have no liability for and shall not pay Customer for any RECs associated with any actual or potential generation that may or could have occurred while such service was discontinued.
10. **ACCESS TO PREMISES.** PNM may enter Customer's Premises at all reasonable hours to read or test meters.
11. **NO WARRANTY OR GUARANTEE.** The Parties agree that the sale and purchase of the Small Solar RECs is not an endorsement, confirmation, warranty, guarantee or representation concerning the safety, operating characteristics, durability or reliability of the Small Solar Facility owned by Customer. Neither Party assumes the duty of inspecting the other Party's lines, wiring, apparatus, machinery or appliances, or any part thereof, and shall not be responsible to the other Party therefore. Customer agrees to install and maintain in a safe and efficient manner, and in accordance with good electrical practices and all applicable regulations, all of its lines, wiring, apparatus, machinery and appliances connected to PNM's electric distribution system.
12. **POTENTIAL TAX LIABILITY.** Customer understands that the sale and purchase of the Small Solar RECs may create a tax liability for Customer. Customer further understands that PNM may issue Internal Revenue Service Form 1099 or other tax form to Customer relating to these transactions. By signing this Agreement, Customer acknowledges and agrees that Customer has the sole responsibility for paying any federal, state or local taxes, including federal income tax that may be due on amounts received by Customer, or credited to Customer's account, as a result of transactions under this Agreement.
13. **GOVERNING LAW.** This Agreement shall be interpreted, governed, and construed under the laws of the state of New Mexico as if executed and to be performed wholly within the state of New Mexico.
14. **AMENDMENT, MODIFICATIONS OR WAIVER.** Any amendments or modifications to this Agreement shall be in writing and agreed to by both Parties. The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any Party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, shall be deemed to be construed as a

further or continuing waiver of any such breach or a waiver of the breach of any other term or covenant unless such waiver is in writing.

15. **NOTICES.** Any notice, request, approval, consent, instruction, direction or other communication required or permitted under this Agreement shall be in writing and shall be deemed given if personally delivered, delivered by reputable overnight courier or sent by First Class Mail, postage prepaid, and shall be deemed received, if personally delivered, or delivered by courier, upon delivery, and if mailed, on the third day following deposit in the U. S. mail.

If to PNM:

Attention: Customer Owned Generation Programs
Public Service Company of New Mexico
414 Silver Ave SW
Albuquerque, NM 87102-1135

If to Customer:

Customer Name: _____

Address: _____

City: _____

All notices under this Agreement shall refer to the Customer's Premises set forth in Section 1 of this Agreement.

16. **ASSIGNMENT.** Customer shall not assign this Agreement except as permitted in Section 7.
17. **REGULATORY.** This Agreement shall at all times be subject to such changes and modifications as shall be ordered from time to time by any legally constituted regulatory body, including the New Mexico Public Regulation Commission ("Commission"), having jurisdiction to require such changes and modifications. Notice shall be given in accordance with the Commission's requirements if and when the Commission is requested to take action which could cause a change in terms of this Agreement.
18. **CERTIFICATION.** Customer acknowledges and agrees that the RECs generated from the Small Solar Facility represent all of the environmental attributes associated with the generation of electricity from the Small Solar Facility. Customer certifies that the attributes represented by the Small Solar RECs are not being claimed by, delivered, sold and/or transferred to any other entity, in whole or in part. Customer also certifies that if the Premises is leased to a tenant, Customer has entered, or will enter, into an agreement with each tenant in which the tenant waives any and all right, title and interest in the Small Solar RECs. Customer will notify PNM immediately if Customer enters into a different arrangement with any tenant.

19. NO THIRD PARTY RIGHTS. Except as expressly provided in this Agreement, the Parties do not intend to create rights in, or grant remedies to, any third party beneficiary of this Agreement.

20. ENTIRE AGREEMENT. It is understood and agreed that all representations and agreements between the Parties covering the subject matter hereof are expressed herein and that no other representation of any kind or nature, whether made by the officers or agents of either of the Parties, shall be binding. There shall be no presumption or burden of proof favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

21. EFFECTIVE DATE. This Agreement is effective as of the last date of execution set forth below.

IN WITNESS WHEREOF, the Parties have caused two originals of this Agreement to be executed by their duly authorized representatives.

CUSTOMER

By: _____
Signature

By: _____
Signature

Name: _____
Printed Name

Name: _____
Printed Name

Title: _____
i.e., "Owner" or "Homeowner"

Title: _____
i.e., "Owner" or "Homeowner"

Date: _____

Date: _____

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX A

CUSTOMER'S APPLICATION FOR THE SOLAR REC INCENTIVE PROGRAM
CUSTOMER'S ONE-LINE DIAGRAM AND
SITE DRAWING SHOWING SMALL SOLAR SYSTEM, METERING AND
PROTECTION EQUIPMENT