



Participating Facility Agreement

- 10 Minute Notification Period
 2 Hour Notification Period

Comverge, Inc ("Comverge") has entered into a Commercial and Industrial Load Management Agreement ("CILM Agreement") with Arizona Public Service Company ("APS") under which Comverge will compensate APS customers enrolled in the APS Peak Solutions® program, for reducing load during a demand response event. Comverge and the Participating Facility (or "Customer") have agreed to enter into this Participating Facility Agreement (this "Agreement") where Customer shall provide capacity to the APS Peak Solutions® program. Customer appoints Comverge to act on its behalf with respect to all interactions with APS under the APS Peak Solutions® program. The terms and conditions of this Agreement, as defined below, govern the relationship between Comverge and Customer and are independent of APS.

Comverge agrees to compensate City of Glendale – Water Services ("Participating Facility") for its participation in the APS Peak Solutions® program as follows.

- ✓ Months - June and September. \$5.07 per kW times the lesser of the Committed Load Reduction or last Demonstrated Load Reduction
- ✓ Months - July and August \$11.83 per kW times the lesser of the Committed Load Reduction or last Demonstrated Load Reduction
- ✓ Energy Payment Bonus
 - \$.275 per kWh paid for up to 100% of Committed Load Reduction
 - \$10 per kWh paid for load reduction achieved greater than 100% and up to 125% of Committed Load Reduction
 - No Energy Payment Bonus for greater than 125% of Committed Load Reduction
- ✓ If Customer falls beneath 75% of Committed Load Reduction, Comverge will attempt to cover any penalties assessed by APS using a portfolio approach. A portion of the penalties assessed by APS to Comverge may be subtracted from payments to Customer. **In no event shall the Customer have any out of pocket expense.**
- ✓ Participation in the APS Peak Solutions® program is **free of charge or administrative fees.**
- ✓ Customer will receive payment in December of each program year after final settlement is reached between Comverge and APS.

Customer agrees to participate in the APS Peak Solutions® program under the following terms:

- ✓ Customer cannot participate in any other similar Demand Response ("DR") programs with the same metered load.
- ✓ Customer cannot use standby generation to meet the obligations of this agreement
- ✓ Customer agrees to a three (3)-year program term which is subject to Renewal provisions
- ✓ Renewal. This Agreement will renew automatically for one additional year unless Comverge is notified sixty days before the end of last program year.
- ✓ Customer may opt out of this Agreement for the following program year by notifying Comverge at least 60 days prior to the end of the current program year.
- ✓ Customer agrees to Committed Load Reduction in the APS Peak Solutions® program as indicated in Exhibit A
- ✓ Customer agrees to perform the Committed Load Reduction measures identified and described in the Customer-specific DR strategy document and to allow Comverge to utilize the Committed Load Reduction capacity when DR events are called.
- ✓ Customer agrees to provide Comverge with at least three contacts, including the following information for each contact: phone, email, and text messaging. For event notification purposes, Comverge will notify Customer via at least two methods for all three contacts.
- ✓ Comverge will ensure that an approved interval meter and metering communications equipment be installed at **no cost to Customer.**
- ✓ Customer agrees to allow Comverge to perform a DR walk-through of Customer's facilities and/or perform DR event tests to validate Committed Load Reduction at **no cost to Customer.**
- ✓ Customer will provide access to Comverge to install, maintain, and/or remove monitoring and/or control equipment, at Comverge discretion with **no cost to Customer.**



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- ✓ Participating Facility agrees to enroll in Energy Information Services (EIS) and grant Comverge access to assist in monitoring of baseline.
- ✓ Subject to any confidentiality Agreement between the parties and ARS §39-121 et seq., Comverge may issue a news release, public announcement, advertisement or similar form of publicity about the Agreement at its sole discretion.

Customer and Comverge agree to review and if appropriate, revise the Committed Load Reduction in Exhibit A at the end of each program year, as a result of Customer's Demonstrated Load Reduction
 The enrollment in the APS Peak Solutions® program has the following conditions and definitions to which Customer agrees:

- ✓ Program Year: January 1 through December 31
- ✓ Control Season: June 1 through September 30 each Program Year
- ✓ Delivery Period: hours beginning 12:00 PM Mountain Standard Time ("MST") ending 8.00 PM MST for all 7 days of week during control season
- ✓ Event Notification
 - 10 minute notification period – minimum 7 minutes advance notice prior to starting DR event
 - 2 hour notification period - minimum 1 ½ hours advance notice prior to starting DR event
 - There will be a maximum of one event per day per Event Notification period
- ✓ Delivery Duration: no less than 1 hour to maximum of 6 hours per Event Notification
- ✓ Maximum Event Hours: 80 hours in control season per notification period
- ✓ Committed Load Reduction: capacity initially enrolled in the APS Peak Solutions® program shown in Exhibit A which may be modified to reflect the Customer's Demonstrated Load Reduction. The calculation of the Committed Load Reduction will be detailed in the strategy document to be completed by the parties within 30 days of execution of this Agreement
- ✓ Demonstrated Load Reduction: the hourly difference between the baseline demand and the actual demand during a DR event.
- ✓ Baseline demand: "3 of 10," the demand profile corresponding to each delivery hour calculated as the average of the corresponding hours of the three highest peak days from the ten business days preceding the DR event (excluding days on which there was a previous DR event)

Comverge and Participating Facility agree that APS and its agents are hereby fully released from any and all liability for claims arising out of or in connection with this Agreement. Comverge fully releases the Participating Facility from any and all obligations in connection with this Agreement upon termination of this Agreement or CILM Agreement for any reason. APS or its agents will not be liable to the Customer or to any third party for any losses or damages, including loss of profits, loss of earnings, loss of business opportunities and personal injuries (including death), including without limitation, any damage resulting from or arising out of the Customer's participation in this Program

Subject to ARS §39-121 et seq., Customer shall not disclose the terms or conditions of this Agreement to a third party except to comply with any applicable laws or regulations. Subject to ARS §39-121 et seq., Customer shall not disclose any Comverge-labeled "Confidential Information" without written permission from Comverge. Comverge will keep historical data and billing information confidential in accordance with the terms of the CILM Agreement. By signing below and for good and valuable consideration, the Parties indicate that it has entered in an agreement where Customer shall participate in the APS Peak Solutions® program as outlined herein. Comverge will have the right of first refusal to match any compensation for participation offer being considered by Customer at the time of Renewal.

Comverge, Inc.

SIGNATURE:

NAME:

TITLE:

Date

John T. King
John T. King
Account Manager
1-3-13

Participating Facility:

SIGNATURE:

NAME:

TITLE:

Date:

Craig Johnson PE
CRAIG JOHNSON PE
EXEL DIR WATER SUC'S
1-9-13

ATTEST:



Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:



Craig Tindall, City Attorney



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**Exhibit A- Participating Facility
Committed Load Reduction by Notification Period**

2 Hour Notification Period

	Day/Time	12 - 1 PM	1 - 2 PM	2 - 3 PM	3 - 4 PM	4 - 5 PM	5 - 6 PM	6 - 7 PM	7 - 8 PM
June	Mon - Fri	875	770	700	595	595	595	595	595
	Saturday	875	770	700	595	595	595	595	595
	Sun	875	770	700	595	595	595	595	595
July	Mon - Fri	875	770	700	595	595	595	595	595
	Saturday	875	770	700	595	595	595	595	595
	July 4th	875	770	700	595	595	595	595	595
	Sun	875	770	700	595	595	595	595	595
August	Mon - Fri	875	770	700	595	595	595	595	595
	Saturday	875	770	700	595	595	595	595	595
	Sun	875	770	700	595	595	595	595	595
Sept	Mon - Fri	875	770	700	595	595	595	595	595
	Saturday	875	770	700	595	595	595	595	595
	Labor Day Sun	875	770	700	595	595	595	595	595

This Exhibit is subject to amendments. The executed Exhibit with the most current date supersedes all other Exhibits.

APS Customer Account Number: (multiple accounts)

Participating Facility Meter Number: (multiple meters)

Comverge, Inc.

SIGNATURE: John T. King
 NAME: John T. King
 TITLE: Account Manager
 Date: 1-3-13

Participating Facility:

SIGNATURE: Craig Johnson P.E.
 NAME: CRAIG JOHNSON P.E.
 TITLE: EXEC DIR WATER SUPPLY
 Date: 1-9-13