

PUBLIC SERVICE COMPANY OF NEW MEXICO

ORIGINAL SAMPLE FORM NO. 91

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STANDARD LARGE PV RENEWABLE ENERGY CERTIFICATE PURCHASE  
AGREEMENT FOR PARTICIPATION IN PNM'S  
LARGE PV PROGRAM BY THIRD PARTY PV SYSTEM OWNERS

Page 1 of 1

Standard Large PV Renewable Energy Certificate Purchase Agreement for Participation in  
PNM'S Large PV Program by Third Party PV System Owners.

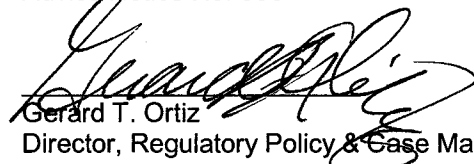
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BY Operation of Law

Advice Notice No. 398

  
Gerard T. Ortiz  
Director, Regulatory Policy & Case Management

GCG #503506

PUBLIC SERVICE COMPANY OF NEW MEXICO  
AGREEMENT NO. \_\_\_\_\_

STANDARD LARGE PV RENEWABLE ENERGY  
CERTIFICATE PURCHASE AGREEMENT FOR  
PARTICIPATION IN PNM'S LARGE PV PROGRAM  
BY THIRD PARTY PV SYSTEM OWNERS

**THIS AGREEMENT** is made and entered into by and between \_\_\_\_\_  
("Customer") and Public Service Company of New Mexico ("PNM") (individually  
"Party" and collectively with Customer, the "Parties"), effective the date PNM's  
representative signs on behalf of PNM below ("Effective Date").

**WHEREAS**, Customer owns or leases the building or facility at which the Large PV  
System described in Section 1 below is located ("Premise"); and

**WHEREAS**, in accordance with 17.9.572.13.C NMAC, Customer is the owner of certain  
large PV renewable energy certificates associated with the electricity generated by the  
Large PV System and consumed on the Premise ("Large PV RECs"), either because  
Customer owns the Large PV System or because Customer has entered into an agreement  
with the third party owner, by which Customer will acquire all the Large PV RECs; and

**WHEREAS**, Customer desires to sell and PNM desires to purchase the Large PV RECs  
owned by Customer pursuant to the terms of this Agreement;

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

1. **PHOTOVOLTAIC SYSTEM.** Customer owns or leases the Premise at which the  
following photovoltaic system rated larger than 10kW up to 1 MW (the "Large PV  
System") is located. The Large PV System is associated with PNM electric service  
account number \_\_\_\_\_ and is interconnected to  
PNM's electric distribution system pursuant to Interconnection Agreement No.  
\_\_\_\_\_, effective on \_\_\_\_\_:

PV System address: \_\_\_\_\_  
\_\_\_\_\_

Rated generating capacity: \_\_\_\_\_ (KW<sub>DC</sub>PTC)

2. **OWNER OF LARGE PV SYSTEM.** Customer hereby certifies that the owner of the  
Large PV System is (check appropriate box):

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Agreement No. \_\_\_\_\_

Customer

Third Party Owner

Name: \_\_\_\_\_ (“Developer”)

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

3. PURCHASE OF LARGE PV RECs. PNM will purchase from Customer the Large PV RECs at a purchase price calculated by multiplying the rate specified in PNM’s Rate Schedule 31, Large Photovoltaic Renewable Energy Certificate (“Rate 31”), as of the effective date of this Agreement, by the number of kWh of energy produced by the Large PV System and consumed on-site. PNM will pay Customer for the Large PV RECs as follows:

Large PV REC purchase payments will normally be applied as a credit to Customer’s electric bill on a monthly basis. If the amount paid for the Large PV RECs is greater than the total of Customer’s monthly electric bill by up to \$200.00, the resulting amount will be carried forward to the following month’s electric bill. If the Large PV REC payment balance results in a Customer credit in excess of \$200.00, that balance will be paid directly to Customer.

Customer requests that payments for Large PV RECs commence in Customer’s first regular billing period beginning on or after January 1, 2011, provided the Parties have executed an Interconnection Agreement by December 31, 2010, and provided PNM has received and executed this Large PV REC Agreement. Purchase of Large PV RECs produced by generating capacity added to the Large PV System on or after January 1, 2011, will be made in accordance with Section 4 below.

4. MODIFICATION OF GENERATING FACILITIES. The capacity of the Large PV System shall not be increased without the prior written approval of PNM; provided, however, that PNM will not approve any increase in capacity exceeding 1 MW in any event. PNM will purchase the additional Large PV RECs associated with an approved increase in generation capacity only upon execution by both Parties of an amendment to this Agreement, at the rate specified in Rate 31 in effect as of the date of the amendment.
5. APPLICATION FEE. Customer will be charged a one-time application fee of three hundred fifty dollars (\$350.00) for each account interconnected. The deadline for completion of the installation of the Large PV System is 360 days from the date of application approval. If Customer decides not to proceed with the installation of the Large PV System, Customer will receive a refund of one hundred twenty (\$120.00) which represents the cost of the REC meter included in the application fee.
6. METERING. Customer shall provide and install a meter socket to accommodate a PNM meter that measures only the output of the Large PV System 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 Large PV System inverter. In accordance with 17.9.570.10 NMAC, if provision of the net metering option requires metering equipment and related facilities that are more costly than would otherwise be necessary absent the requirement for net metering, Customer shall pay all incremental costs associated with installing the more costly metering equipment and facilities.

Attached hereto and incorporated herein as Appendix A, is Customer's application for sale of Large PV RECs, including a one-line diagram and three-line diagram showing the Large PV System, the interconnection equipment, breaker panel(s), PNM required disconnect switches, PNM meters, and PNM transformers. Customer represents and warrants that the information contained in Appendix A is accurate as of the date of this Agreement.

7. **TERM OF AGREEMENT.** This Agreement shall be in effect for twenty (20) years from the Effective Date, unless terminated as provided herein.
8. **TERMINATION.** Customer may terminate this Agreement for any reason upon thirty (30) days' prior written notice. Notwithstanding the foregoing, PNM may terminate this Agreement with less than thirty (30) days' notice if earlier termination is required by an act or failure to act of the New Mexico Public Regulation Commission or successor entity ("Commission"). In addition, this Agreement automatically terminates if Customer sells the Premise, closes the electric service account specified in Section 1 of this Agreement or attempts to assign this Agreement. If this Agreement is terminated, the final Large PV REC payment will be calculated based on Customer's last meter reading at the Premise and the determination of whether or not any excess generation has occurred. If Customer is occupying the Premise, the final Large PV REC payment will be calculated and applied to Customer's final electric bill. If Customer is leasing the Premise to a tenant, the final Large PV REC payment will be calculated and paid directly to Customer.
9. **TERMINATION UPON TRANSFER OF LARGE PV SYSTEM.** Should Customer terminate its ownership or lease of the Premise at which the associated Large PV System is located or terminate its relationship with the third-party owner of the Large PV System, this Agreement shall automatically terminate. To immediately participate in the Large PV REC purchase program, the new Premise owner shall have 30 days from the time Customer terminates his/her PNM electric account to complete the net metering Interconnection Agreement process and to sign a new Large PV REC purchase agreement. If the new owner does not complete the interconnection process and sign a new purchase agreement within the 30 day period, the new Premise owner's application will be processed in the order received along with other applications. In either case, the new purchase agreement will be entered

Agreement No. \_\_\_\_\_

into at the then current Commission-approved Large PV REC purchase price in effect at the time the new Large PV REC purchase agreement is executed.

10. **INTERRUPTION OR REDUCTION OF DELIVERIES.** PNM shall not be obligated to pay for a reduction in the number of Large PV RECs caused by interruptions of utility service or by utility-required Large PV System shutdowns as specified in the executed Standard Interconnection Agreement.
11. **ACCESS TO PREMISE.** PNM may enter Customer's Premise at all reasonable hours to read or test meters.
12. **NO WARRANTY OR GUARANTEE.** The Parties agree that the sale and purchase of the Large PV RECs is not an endorsement, confirmation, warranty, guarantee or representation concerning the safety, operating characteristics, durability or reliability of the Large PV System. Neither Party assumes the duty of inspecting the other Party's lines, wiring, apparatus, machinery or appliances, or any part thereof (collectively, "Associated Equipment") and shall not be responsible to the other Party therefor. PNM further disclaims any obligation to inspect, and any liability for, the Large PV System or Associated Equipment owned by Developer. Customer agrees to install and maintain, or to have installed and maintained, in a safe and efficient manner, and in accordance with good electrical practices and all applicable regulations, all of the Associated Equipment connected at the Premise to PNM's electric distribution system.
13. **POTENTIAL TAX LIABILITY.** Customer understands that the sale and purchase of the Large PV 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.
14. **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.
15. **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.
16. **NOTICES.** Any notice, request, approval, consent, instruction, direction or other communication required or permitted under this Agreement shall be in writing and

Agreement No. \_\_\_\_\_

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  
Alvarado Square  
Albuquerque, NM 87158-0510

If to Customer:

Customer Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_

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

17. ASSIGNMENT. Customer shall not assign this Agreement or any part hereof.
18. REGULATORY. This Agreement shall at all times be subject to such changes and modifications as shall be required from time to time by any legally constituted regulatory body, including the 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 that could cause a change in terms of this Agreement.
19. CERTIFICATIONS, REPRESENTATIONS AND WARRANTIES. Customer certifies that the attributes represented by the Large PV 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 Premise 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 Large PV RECs. Customer will notify PNM immediately if Customer enters into a different arrangement with any tenant. If the Large PV System is owned by Developer, Customer further certifies that Customer has entered into a valid and binding agreement with Developer by which all right, title and interest in the Large PV RECs belong to Customer without recourse by Developer. Customer represents and warrants that Customer has good and marketable title to the Large PV RECs and that Customer will transfer to PNM good and marketable title, free and clear of all claims, liens, security interests and encumbrances of any kind.
20. 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.

Agreement No. \_\_\_\_\_

21. 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.

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

CUSTOMER

By: \_\_\_\_\_  
Signature  
Name: \_\_\_\_\_  
Printed Name  
Title: \_\_\_\_\_  
i.e., "Homeowner"  
Date: \_\_\_\_\_

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: \_\_\_\_\_  
Signature  
Name: \_\_\_\_\_  
Printed Name  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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BY \_\_\_\_\_

APPENDIX A

CUSTOMER'S APPLICATION FOR THE LARGE PV PROGRAM  
CUSTOMER'S ONE-LINE AND THREE-LINE DIAGRAM AND  
SITE DRAWING SHOWING LARGE PV SYSTEM, METERING AND  
PROTECTION EQUIPMENT

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