

## Renewable Ready Subscriber Agreement

This Renewable Ready Subscriber Agreement (the “Agreement”) is entered into on \_\_\_\_\_ **2019** (the “Agreement Date”) by and between Black Hills Power, Inc., d/b/a Black Hills Energy, a South Dakota corporation (the “Company”) and **City of Rapid City** (“Customer”) (individually “Party” and together, “Parties”). The “Effective Date” of Agreement will begin either the date the Renewable Ready program begins producing renewable energy or the Agreement Date, whichever occurs last.

1. **General terms.** The Company agrees to sell and the Customer agrees to buy renewable energy through the Company’s Renewable Ready program, subject to this Agreement and the terms and conditions of service as specified in the Company’s Electric Tariff (“Electric Tariff”), including without limitation the Renewable Ready Service Tariff, on file with the South Dakota Public Utilities Commission, as the same may be changed from time to time. A copy of the Electric Tariff is available from the Company’s website [www.blackhillsenergy.com](http://www.blackhillsenergy.com). In the event of any conflict between the terms of this Agreement and the Electric Tariff, the provisions of the Electric Tariff shall control.
  
2. **Subscription Premises.** Subscription Premises are those premises selected by the Customer and the Company, with preference given to locations where the metered usage is 50,000 kWh or more annually. The Customer’s Subscription Premises are as follows:

Service Location	City	State	Account Number	Service Agreement	Service Point ID	Subscribed Energy (kWh)
125 WATERLOO ST	Rapid City	SD	4152825173	4152824072	8857297961	1,581,600
235 WATERLOO ST	Rapid City	SD	5161081138	5161087265	3943470584	980,360
610 QUINCY ST	Rapid City	SD	1132382145	1132380055	3190953593	701,680
900 SHERIDAN LAKE RD	Rapid City	SD	3772762464	3772760294	7332671804	316,448
818 AMAMOSIA	Rapid City	SD	38847655	38849229	6105913208	136,080
4221 PARKVIEW DR	Rapid City	SD	6264309020	6264307338	696100501	105,080
1510 OMAHA ST	Rapid City	SD	174548926	174546057	5376472855	69,235

**3,890,483**

3. **Representations.** Customer hereby makes the following representations and warranties to Company:
  - a) Customer warrants the person signing this Agreement on behalf of Customer is individually authorized and competent to sign this Agreement and bind Customer to the terms herein; and
  
  - b) Customer currently receives electric service from Company at the Subscription Premises set forth above, and either (1) has an aggregate usage across all accounts of 300,000 kWh or more per year; or (2) is classified as a governmental account(s).
  
4. **Renewable Energy Source.** The source of the renewable energy for service under this Agreement will be a 40 MW wind project to be located west of Cheyenne, Wyoming (the “Corriedale Project”). The Customer will begin to receive energy as described in Paragraph 5 following when the Corriedale Project is commercially operating.
  
5. **Selection of Subscription Share.** The Customer has elected to subscribe to **4.93%** share of the output of the Company’s portion of the renewable energy produced by the Corriedale Project (“Subscription

Share”). The Subscription Share was determined by the Company and the Customer based on the Customer’s last twelve-month usage, or its projected usage if Customer has not received service for a prior period of twelve months. Each month the Company will use the Customer’s Subscription Share and the amount of renewable energy produced by the Company’s portion of the Corriedale Project to calculate the Customer’s amount of renewable energy. The Customer will be charged and credited for its renewable energy pursuant to the terms of this agreement and the Company’s Renewable Ready Service Tariff with the South Dakota Public Utilities Commission. The Company makes no representation as to the actual monthly output of the Corriedale Project.

6. **Renewable Ready Charge and Credit.** The Renewable Ready Charge for the term of this Agreement is **\$0.024** per kWh as set forth in the Renewable Ready Tariff effective on the date of execution of this Agreement. The Renewable Ready Credit is adjusted on an annual basis along with the Company’s Energy Cost Adjustment filing and will be adjusted on Customer billing. The Renewable Ready Credit effective on the date of execution of this Agreement is **\$0.02346** per kWh.
7. **Agreement Term and Renewal.** The term of this Agreement is **20 years** (“Initial Term”) beginning on the Effective Date. The Agreement will automatically renew for successive one-year terms (each a “Renewal Term”) at the expiration of the Customer’s Initial Term or any Renewal Term. All terms of this Agreement shall apply to any Renewal Term. Either party to the Agreement may cancel the automatic renewal of the Agreement and terminate the Agreement upon expiration of the then-existing term by providing written notice at least ninety (90) days prior to the end of the applicable term, without incurring an Early Termination Fee. If no written notice is received by either party, the Agreement will automatically renew for a successive Renewal Term.
8. **Customer Changes to Subscription.** Based on the availability of renewable energy in the program, the Company may make available to subscribing customers the opportunity to increase their subscription share at any point during the Initial Term or any subsequent Renewal Term.
9. **Subscription Transfer.** If a Customer transfers electric service to a new premises within the Company’s South Dakota certificated territory, the Company will transfer the Renewable Ready Service to the new premises for a charge of \$250. If the Customer has multiple premises within the Company’s South Dakota certificated territory, the Customer shall have the option to transfer the Renewable Ready Service from a premises that is discontinuing service to another premises within the Company’s South Dakota certificated territory for a charge of \$250. The Customer must provide the Company with at least thirty (30) days prior written notice of any request for a transfer of service under this paragraph and will further cooperate with any necessary amendments to this Agreement in order to effectuate the transfer.
10. **Transfer of Ownership.** If the Customer transfers all of its interest in the premises identified in this Agreement, the Customer may transfer its Subscription Share in the Renewable Ready Service Tariff to the new owner of the premises with prior written approval from the Company. The Customer and the new owner shall notify the Company in writing at least thirty (30) days prior to ownership transfer and cooperate with the Company provide all information necessary for the Company to evaluate the new owner for service under the Renewable Ready Service Tariff. Approval or denial of the transfer of the Subscription Share is within the reasonable discretion of the Company, however, Company shall not unreasonably withhold approval, condition approval or delay approval. Any denial of the transfer will result in an Early Termination Fee as set forth in Paragraph 14.
11. **Annual Review.** The Company shall conduct an annual review of Customer’s aggregate usage over the prior twelve month period, or prorated usage if the Customer has not received service for a prior period of twelve months. If Customer’s aggregate usage falls below 90% of the Subscription Share, the Company will proportionally reduce the Subscription Share. Any reduction will result in a pro-

rated Early Termination Fee as set forth in Paragraph 14 of this Agreement. Written notice of the reduction and associated Early Termination Fee will be provided to the Customer.

12. **Customer Relocates Outside of Service Area.** If the Customer relocates to a premises outside of the Company's South Dakota certificated service territory, the Customer's subscription under the Renewable Ready Service Tariff will be terminated and the Customer will be charged the Early Termination Fee as set forth in Paragraph 14.
13. **Customer Ceases Operations or Terminates Service.** If the Customer ceases operations or terminates service from the Company at its premises within the Company's South Dakota certificated service territory, the Customer's subscription under the Renewable Ready Service Tariff will be terminated and the Customer will be charged the Early Termination Fee as set forth in Paragraph 14.
14. **Early Termination Fee.** Early termination of this Agreement will result in an Early Termination Fee of **\$24,650** multiplied by the number of years remaining in the current Agreement Term or Renewal Term at the time of the termination (the "Early Termination Fee"). Any reduction of aggregate usage, as described in Paragraph 11 of this Agreement, will result in a pro-rated Early Termination Fee based on the proportional difference between the Customer's prior Subscription Share and the reduced Subscription Share. The entire amount of any Early Termination Fee will be immediately due upon receipt of notice from the Company. If Customer's Subscription is fully re-subscribed by a similarly situated customer within ninety (90) days of notification or termination, Customer's Early Termination Fee may be waived by the Company.
15. **Renewable Energy Credits.** Any Renewable Energy Credits associated with the renewable energy allocated to the Customer based on its Subscription Share and the production of the Company's portion of the Corriedale Project will be transferred to or retired on behalf of the Customer.
16. **Termination by Company.** The Company shall have the unilateral right to terminate this Agreement at any time if the renewable energy facilities supporting the Renewable Ready program do not achieve commercial operation or do not perform pursuant to the industry standard expectations for a facility similar to the Corriedale Project.
17. **Choice of Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of South Dakota.
18. **Waiver.** Each Party hereby irrevocably and unconditionally waives any right to a trial by jury for the resolution of any dispute arising under this Agreement. Failure of either Party to enforce any term or condition of this Agreement shall not constitute a waiver of that term or condition or of any other term or condition of this Agreement.
19. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which is deemed original but all constitute one and the same instrument. The Parties agree that an electronic copy of a signature will be deemed original and binding.
20. **Third Party Beneficiaries.** Except as otherwise specifically provided herein, this Agreement is not intended to, and shall not, create rights, remedies, or any benefits of any character whatsoever, in favor of any person, corporation or other entity other than the Parties hereto, and the obligations herein assumed are for the use and benefit of the Parties, their successors in interest, and permitted assigns.

**As a qualified Black Hills Power, Inc. customer, I have read, understand, and agree to the terms of the Agreement set forth above:**

For the City of Rapid City:

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By:

Its:

Date:

For Black Hills Power, Inc.:

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By:

Its:

Date: