

# SMUD's Smart Energy Optimizer Pilot Participant Agreement

## Introduction

As your community-owned, not-for-profit electric service, SMUD is piloting a new Smart Energy Optimizer pilot offering for residential battery storage customers. The Smart Energy Optimizer pilot ("Pilot") applies only to capable SolarEdge ("Eligible Vendor") StorEdge batteries ("Device").

The purpose of the Pilot is a research and development program designed to find cutting-edge solutions to improve energy utilization in the home and workplace, which reduces the need for new power plants. This Pilot emphasizes real-world demonstration projects encompassing flexible loads that do not have a direct customer comfort and convenience impact such as with battery energy storage, heat pump water heaters, electric vehicles, pool pumps, central chiller plants, just to name a few.

This Pilot will subsidize the cost of a Device that can be used as a backup power source during grid outages. The Pilot will help SMUD optimize Device storage schedules to save money when peak electricity rates are in effect and will also benefit the environment by consuming more renewable energy, reducing SMUD's reliance on non-renewable energy.

This Participant Agreement for the Smart Energy Optimizer Pilot ("Agreement") sets forth the terms and conditions of the Pilot.

Please keep this information for your reference. If you have any questions, call SMUD at 1-888-742-7683.

## Eligibility

In order to receive an incentive for your Device, you must participate in SMUD's Energy Storage Program for two years.

## Qualifications - System with Solar and Device

Participant commits that at least 51% of the proposed Device capacity will be available for dispatch by SMUD. By default, this designated portion of the Device will be managed by SMUD to shift energy from solar to offsetting loads during peak periods to optimize Participant's bill. Device dispatch may be altered by SMUD for up to 120 days/year to facilitate better use of renewables on the grid (i.e. solar overgeneration) or avoid extremes in energy cost or capacity. Participant will receive a bill credit of \$10/month for 1-10 kW of responsive storage (or \$20/month for 10.1 kW or more of responsive storage) in exchange for this guaranteed availability and response.

## Qualifications - Non-export/Non-NEM Device

Participant commits that at least 51% of the proposed Device capacity will be available for dispatch by SMUD. By default, this designated portion of the Device will be managed by SMUD to shift energy from peak periods to off-peak periods to optimize Participant's bill. Be aware non-Solar connected storage is not eligible for Net Energy metering and therefore incidental export will not be compensated. Device dispatch may be altered by SMUD for up to 120 days/year to facilitate better use of renewables on the grid (i.e. solar overgeneration) or avoid extremes in energy cost or capacity. Participant will receive a bill credit of \$10/month for 1-10 kW of responsive storage (or \$20/month for 10.1 kW or more of responsive storage) in exchange for this guaranteed availability and response.



# Terms & Conditions

## 1. Safety Considerations

- A. Participant acknowledges and agrees that there are inherent risks associated with Participant's participation in the Pilot. Participant acknowledges and fully understands that as part of the Pilot, SMUD will control Participant's Device through Eligible Vendor's platform/cloud service that individually optimizes the charging and discharging schedule to maximize bill savings under Time-Of-Day (TOD) rates. As part of the Pilot, the Device dispatch may be further modified by SMUD for up to 120 days/year to facilitate better use of renewables on the grid (i.e. solar overgeneration) or avoid extremes in energy cost or capacity. Although a recurring flat bill credit is provided in exchange for Device response (\$10/month for 1-10 kW of responsive storage or \$20/month for 10.1 kW or more of responsive storage), SMUD managed dispatch of Device will provide varied bill savings by Participant and month. Protection for Device life and warranty are managed by the Eligible Vendor's platform/cloud service and may over-ride Device dispatch by SMUD. Participant understands that there also may be other risks not known to SMUD.
- B. Participant understands that Participant is at all times responsible for Participant's own safety, the safety of anyone using the Device, and protection of the Device against damage, overuse, or misuse while Participant participates in the Pilot. Participant expressly agrees and promises to accept and assume all of the risks existing in the Pilot. Participant's participation in the Pilot is purely voluntary, and Participant elects to participate despite the risks.

## 2. Access for SMUD

To participate, you must allow SMUD exclusive access to control your Device via your Eligible Vendor's platform service in the cloud. This means that you are responsible to have (i) A working and reliable connection to the cloud (typically included in a standard Eligible Vendor's installation) and (ii) A correctly installed Device such that all operational modes are active and work as intended. Enrollment into program will be effective subsequent to successful functional verification or automated testing by both Eligible Vendor and SMUD. Failure to comply with this section shall be material breach of this Agreement and shall be cause for termination. You hereby consent to grant access to SMUD to view your account information and control your device on Eligible Vendor's platform service in cloud.

## 3. Term and Termination

- A. This Agreement will be effective as of the last date of signature below. This Agreement will remain in effect for two years unless terminated as set forth below.
- B. Either party may terminate this Agreement by providing thirty (30) days written notice to the other party, or immediately upon default of the other party. Upon termination notice, Participant will be transitioned into SMUD's Commitment to Operate program and 51% of battery capacity will be used to meet electricity needs during peak periods (without control by SMUD). If terminated prior to the contract end date, participant shall reimburse SMUD for the difference in up front incentive between this Smart Energy Optimizer Pilot and Commitment to Operate Program (\$200 for each 5kW block of responsive storage, up to \$400) prorated for the duration of their participation in the two-year term.
- C. Please send termination communication to SMUD as follows:  
Sacramento Municipal Utility District  
Attention: Energy Storage Program Manager  
P.O. Box 15830, MS A203  
Sacramento, CA 95842-0830
- D. SMUD may terminate this Agreement if the installed Device does not respond as intended (loss of communication, incorrect installation, damage, etc.) and intended functionally is not restored within 30 days' after notice from SMUD. If communication or access is restored at a future date, a new agreement will be required to participate in the Pilot.

Upon termination of this Agreement, SMUD will cease to control the Device.



## 4. Participant Equipment

Participant is responsible for the selection, acquisition and installation of their Device and other related equipment to participate in this Pilot. Participant will install, own and maintain its equipment.

## 5. Monitoring

- A. Participant agrees that the data, telemetry, facts, records and other information obtained from this Pilot belongs to and are owned by SMUD and the Eligible Vendor and Participant has no claim or right to that information. Participant authorizes the release of that information to SMUD or its contractor for installation, data analysis and/or program evaluation. Participant acknowledges and agrees that SMUD may use that information for purposes specified herein and may publish the results of this research. SMUD will maintain the confidentiality of Participant in any publication, unless explicitly waived.
- B. SMUD shall provide experienced, competent personnel to place and maintain the monitoring equipment if a Participant cannot enroll their Device. Participant grants SMUD access to their premises where the Device is located upon reasonable notice: (a) to install said monitoring equipment; (b) in the event of an emergency or equipment malfunction to replace or repair said monitoring equipment; and (c) as needed to maintain the monitoring equipment and retrieve data. Access will be during normal SMUD business hours except in an emergency.

## 6. Compensation

Once the device has been successfully connected to the communication platform, Participant will receive a one-time, up-front incentive payment of \$500<sup>1</sup> for 1-10 kW of responsive storage or \$1,000 for 10.1 kW or more of responsive storage (mailed to the Participant's address) and monthly SMUD will include a monthly credit of \$10/month for 1-10 kW of responsive storage or \$20/month for 10.1 kW or more of responsive storage on Participant's electricity charges on their SMUD bill for the length of this Agreement. Monthly credits are based on estimated economic grid benefits of shared battery use with SMUD. The payment is not meant to allow, or imply, that the customer System Infrastructure Charge (SIFC) is being reduced through this Pilot.

## 7. Representations and Warranties

- A. SMUD makes no representations, expressed or implied, regarding the design, construction, reliability, operation, efficiency, sizing or performance of Participant's Device or other equipment, SMUD monitoring equipment, or any other aspect of the equipment. Any decisions regarding the selection, design, purchase, installation, use and operation of the Device is at the sole discretion and is the sole responsibility of the Participant.
- B. SMUD is not liable for any changes to the useful life or condition of the Device. Operation by SMUD may result in changes to the timing and frequency of charging & discharging cycles for the Device. The Device is subject to the warranty terms as established by Eligible Vendor.
- C. SMUD makes no warranties, implied or expressed with respect to goods and services provided under this agreement including, but not limited to, the warranties of merchantability and fitness for a particular purpose. SMUD is not responsible in contract, tort or under any other theory of liability with respect to the goods and services provided under this agreement.**

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<sup>1</sup> Previously interconnected systems that already received the Commitment to Operate (CTO) incentive will count toward the up-front incentive payment. As a result, interconnected systems that already received the CTO incentive will have an incremental up-front incentive of \$200 or \$400 instead of \$500 or \$1,000 respectively as defined in the Terms & Conditions.



## 8. Indemnification

- A. Participant for itself, and assigns, shall indemnify, defend, and hold harmless SMUD and SolarEdge, its officers, agents and employees against loss, damage, expense and all liability resulting from injury to or death of any person or persons including but not limited to employees of SMUD or SolarEdge or Participant, or damage to property, including but not limited to property of SMUD or SolarEdge or Participant, resulting from or arising out of or in any way connected with the performance of this Agreement, installation, inspection, assistance, maintenance, monitoring, testing and use of the Participant's equipment or SMUD or SolarEdge's monitoring equipment and caused by the acts, omissions, intent or negligence, whether active or passive, of Participant, its agents, employees, and suppliers, and excepting only such loss, damage, or liability as may be caused by the intentional acts or the sole negligence of SMUD or SolarEdge.
- B. On SMUD's request, Participant will defend any suit asserting a claim covered by this indemnity and neither party will be liable to the other party for incidental, special or consequential damages including lost profits or loss savings.

## 9. Release

Participant, being of lawful age, in consideration of being permitted to participate in the Pilot, does hereby release and forever discharge SMUD, its officers, directors, employees, agents, administrators, or legal representatives, or other successors of interest ("SMUD Releasees"), of and from any and every claim, demand, action or right of action, of whatever kind or nature, either in law or equity, arising from or by reason of any bodily injury or personal injuries, known or unknown, death, loss or damage to property, or occurrence before, during, or after Participant's participation in the Pilot, whether caused by negligence of SMUD Releasees or otherwise.

Participant agrees that the above terms adequately represent Participant's understanding of the Agreement as it relates to all present, past, and future claims against SMUD, whether those claims are known or unknown and waives application of California Civil Code section 1542, which provides:

**A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

## 10. Entire Agreement

This Agreement constitutes the entire understanding between the parties as to the subject matter. Any amendments, changes, alterations or modifications to this Agreement shall require the agreement of both parties and shall not be effective until incorporated into a written amendment to this Agreement, which shall be signed by both parties.

In Witness Thereof, Participant and SMUD hereby agree to the terms set forth in this Agreement.

Participant

SMUD Pilot Manager

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

