NEW LARGE LOAD POLICY

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1. OVERVIEW – HOW TO USE THIS POLICY

The New Large Load Policy ("NLLP" or "Policy") provides a comprehensive guide for customers of how Snohomish County PUD (the "District") evaluates, plans, and delivers electrical service for new or expanded loads greater than 2.5 MVA. This document is intended to be a clear, end-to-end guide for customers, reflecting the full sequence of steps from initial inquiry through energization and ongoing service.

The NLLP does not replace the District's underlying, legally adopted policies and regulations. Instead, it explains how those existing policies interact with the steps unique to serving New Large Loads. Customers should therefore review this Policy as a roadmap: it clarifies which requirements under the District's Customer Service Regulations ("CSR"), Line Extension Regulations ("LER"), Facility Connection Requirements ("FCR"), Electrical Service Requirements ("ESR"), and Rate Schedules apply to all customers, and which requirements apply because a New or Expanding Load request exceeds 2.5 MVA.

This Policy applies to distribution infrastructure required to serve New Large Loads and does not govern generation facilities or power supply arrangements, which are addressed through separate policies or contractual provisions.

1.A HOW THIS POLICY INTERACTS WITH EXISTING DISTRICT POLICIES

There are areas where a customer's request triggers both the general rules that apply to all customers and the additional specifications required for large loads. This Policy highlights where those intersections occur, so customers understand how the full cost responsibility and facility requirements are determined. This document is organized as follows:

1.A.1 PROVISIONS THAT APPLY TO ALL CUSTOMERS

These are requirements established by the CSR, LER, FCR, ESR, and Rate Schedules. Examples include:

- Line extension fees and line extension design rules (LER)
- Amperage fees and service installation requirements (CSR)
- Technical operation requirements, protection requirements, and metering expectations (FCR)
- Technical connection requirements (ESR)
- Standard rate schedules and applicable demand or energy charges

1.A.2 PROVISIONS THAT APPLY ONLY TO CUSTOMERS SUBJECT TO THE NLLP

These requirements arise because the customer's anticipated New or Expanding Load exceeds 2.5 MVA. Examples include:

- Feasibility Review
- System Impact Study ("SIS")
- New Large Load cost-share methodology
- Demand Credit or Refund programs
- New Large Load Agreement terms
- Capacity Reservation (when applicable)
- Credit/security requirements

1.B PURPOSE OF THE NEW LARGE LOAD POLICY

The purpose of this Policy is to:

- Consolidate all steps, studies, and District business requirements relevant to New Large Loads into a single, customer-accessible document
- Improve process transparency and predictability
- Clarify the relationship between the NLLP and other District policies
- Support efficient project planning and alignment between customers and the District
- Ensure equitable treatment of all customers while protecting the District's financial and system reliability interests
- Provide customers with a plain-language pathway that reflects how the District evaluates capacity, identifies necessary upgrades, allocates costs, and structures agreements

1.C POLICY STRUCTURE

This Policy is organized to follow the complete pathway a customer experiences when requesting a New Large Load.

- **Overview, Purpose, Objectives, and Definitions**
  Foundational material to help customers understand the intent of the Policy and the terminology used throughout.

- **Customer Pathway**
  A sequential description of the steps required to request and receive service for a New Large Load, including eligibility review, intake, Feasibility Review, System Impact Study, Task Orders, contracting, construction, and energization.

- **Fees, Credits, and Cost Responsibilities**
  An explanation of the charges associated with New Large Loads, how cost responsibilities are determined, and how customers may receive Demand Credits or Demand Refunds.

- **Policy Administration and Supporting Resources**
  Information on enforcement, related District policies, contacts for assistance, and the Policy's approval and effective date.

This structure is intended to provide a clear, customer-focused roadmap while ensuring transparency around cost allocation, requirements, and the District's responsibilities.

1.D POLICY OBJECTIVES

The District is committed to providing reliable, equitable, and sustainable electric services to all customers, including those seeking to add significant new electrical demand. This Policy is designed to ensure that the costs and risks associated with serving New Large Loads are allocated fairly, protecting existing customers from undue financial burden and supporting responsible community and economic growth.

1.E KEY TERMS AND DEFINITIONS

Ampere ("Amps"): A unit of electric current, representing the flow of one coulomb of charge per second. Ampere is used to determine service size and calculate amperage fees for new or upgraded connections.

Amperage Fees: Connection charges based on the electrical service capacity (in amps) requested by a customer, reflecting the cost of providing the necessary infrastructure.

Anticipated Demand: Power-factor adjusted billing demand (in MW) as forecasted by the District. May be used interchangeably with the electrical requirements of the customer as measured in MVA.

Average Billed Demand: Actual power-factor adjusted billing demand observed.

Capacity Reservation: The process by which a customer secures a specified amount of system capacity in advance of actual use, ensuring that the requested capacity will be available when needed. Capacity Reservation is formalized through an agreement with the District and typically requires payment of a Capacity Reservation Fee.

Capacity Reservation Fee: A fee paid by a customer to reserve electric system capacity in advance of energization. The fee compensates the District for holding capacity for future use and incorporating the reserved load into system planning. Capacity Reservation Fees are established through written agreements and are not standard electric service rates.

Commercial Operation Date: The date on which the customer's New Large Load activity becomes operational and capable of being placed into service, such that functionality of the facility has been constructed and is capable of producing the desired result.

Demand Charge: A fee based on the maximum amount of electrical capacity (in MW) that a customer requires from the District during a billing period. It reflects the cost of having infrastructure available to meet that peak demand.

Demand Credit: A contractual credit mechanism through which a portion of a customer's New Large Load Policy Fees attributable to standard facilities ("Eligible Dollars") may be credited back to the customer over time based on the customer's actual billed demand. Demand Credits are applied annually in accordance with Appendix C and, for eligible customers, a separate Demand Credit Agreement executed to confirm future determined applicable inputs and administration of the credit over time. Demand Credits do not constitute a modification to applicable rate schedules or billing provisions.

Demand Credit Agreement: A separate agreement executed after a customer has paid eligible New Large Load Policy Fees and is determined to be eligible for Demand Credits. The Demand Credit Agreement confirms the applicable inputs, calculation methodology, and administrative terms for the Demand Credit over the credit period, consistent with this Policy and Appendix C. The Demand Credit Agreement does not establish eligibility for Demand Credits or modify the formulas set forth in this Policy.

Demand Refund: A refund mechanism under which a customer may receive repayment of a portion of Eligible Dollars for a New Large Load that is not subject to or does not meet the threshold for Demand Charges. Demand Refunds are determined based on the size of the New Large Load and applicable demand charges, or other objective load realization methodology, as described in Appendix D, issued outside of standard electric billing, and administered pursuant to this Policy.

Election Period: The five-year period following payment of New Large Load Policy Fees during which a customer may elect when recovery of Eligible Dollars begins, as specified in this Policy and the applicable appendices.

Electrical Service Requirements ("ESR"): District standards that define technical, design, and installation requirements for electric service, including overhead and underground service, metering, and interconnection.

Eligible Dollars: The portion of the NLLP Fees attributable to standard equipment. Eligible Dollars may be used in connection with either the Demand Credit Program or the Demand Refund Program, as applicable, and are determined in accordance with the customer's New Large Load Agreement.

Expanding Load: An existing load which grows to exceed 2.5MVA within a five year period.

Feasibility Review: An initial evaluation performed by the District to determine whether a proposed New Large Load can be served by the existing electrical system. The Feasibility Review confirms basic system capability, identifies any known constraints, and determines whether a System Impact Study is required. It provides general guidance to help customers understand possible system needs but does not include detailed engineering analysis or cost estimates.

Line Extension Fees: All fees associated with Line Extension Regulations as described in the District's Customer Service Regulations. Line extension fees are for utility electrical equipment serving dedicated customer property and are not eligible for Demand Credits or Demand Refunds.

Megawatt ("MW"): A unit of real power equal to 1,000 kilowatts ("kW") or 1,000,000 watts ("W"). Real power represents the actual energy consumed or delivered by electrical equipment. Megawatts are used for billing demand and energy consumption calculations under applicable rate schedules.

Megavolt-Ampere ("MVA"): A unit of apparent power equal to 1,000 kilovolt-amperes ("kVA") or 1,000,000 volt-amperes ("VA"). Apparent power reflects the total capacity the system must provide, including both real and reactive components. Megavolt-Ampere is used for infrastructure planning, determining eligibility thresholds, and capacity reservation requirements.

New Large Load(s): New buildings, industrial processes, and other electricity-consuming equipment located at new or existing electrical services, exceeding an aggregate 2.5 MVA.

New Large Load Agreement: A bilateral contract between the District and a customer subject to this Policy that establishes the terms, conditions, and cost responsibilities for any engineering, procurement, and construction services needed to serve a New Large Load.

New Large Load Fees ("NLLP Fees"): The customer's share of New Large Load infrastructure upgrade costs.

New Service Questionnaire ("NSQ"): The standard District form to be completed and submitted by the customer to initiate the process of coordinating a new electrical service or to make changes to an existing electrical service.

Non-Shared Facilities: Distribution, substation, transmission or other facilities constructed for the sole purpose of serving the New Large Load(s) that do not provide additional useful capacity to the District.

Non-Standard Facilities: Facilities or equipment that exceed the District's standard design or service specifications, constructed to meet unique customer requirements such as higher reliability, redundancy, or specialized configurations. These facilities typically involve incremental costs beyond standard service and do not provide incremental benefits to the broader District system.

Shared Facilities: Distribution, substation, and transmission facilities constructed for the purpose of serving the New Large Load(s) that provide additional useful capacity to the District.

Standard Facilities: Facilities or equipment that meet the District's standard design or service specifications.

System Impact Study ("SIS"): An engineering study performed by the District to assess how a proposed New Large Load will affect the electrical system. The SIS identifies any required upgrades or new facilities, outlines the general approach for serving the load, and provides non-binding estimates of timelines and costs. The SIS is required for most loads above 2.5 MVA unless the District determines during the Feasibility Review that enough system capacity already exists.

Task Order: A written authorization issued under a New Large Load Agreement that defines the scope of work, cost estimates, deposits, and payment requirements for a specific phase of engineering, procurement, or construction.

2. CUSTOMER PATHWAY

2.A ELIGIBILITY CRITERIA

This Policy applies to all customers requesting new or expanded electrical services within the District's defined service territory and designated interconnection points with aggregate anticipated billing demand ("Anticipated Demand") greater than 2.5 MVA. This Policy will apply whether the requested service is either at a single location or across multiple locations serving a common purpose during any continuous five-year period. The District will interpret the term "common purpose" broadly to ensure the Policy objectives are met.

Requests exceeding 2.5 MVA may be served using existing system capacity or may require new infrastructure, depending on system conditions. The Feasibility Review and, if required, the System Impact Study, further defined below, determine which path applies.

For loads exceeding 10 MVA, enhanced review and additional contractual terms may be required. All service requests are subject to regulatory and statutory requirements.

Eligibility is determined by District staff through an intake process (detailed below). Customers will receive written notification of their eligibility status and any applicable requirements

Customers are encouraged to consult with the District (see District Contact Information) for clarification regarding eligibility.

2.B CUSTOMER INTAKE

The District's New Large Load intake process is standardized and designed to be clear, timely, and accessible. The customer is required to complete a formal application which includes providing load forecasts and project plans prior to receiving eligibility confirmation and study cost estimates from the District. Projects that are phased or involve multiple related facilities will be evaluated on an aggregate basis.

To begin the process of connecting New Large Loads to the District's system, the following steps must be completed.

2.B.1 INITIATION - NEW SERVICE QUESTIONNAIRE

The customer must complete and submit the District's New Service Questionnaire ("NSQ"). This form provides essential details about the customer's project, including Anticipated Demand, project timeline, and site information.

Customers can find our digital NSQ on our website at www.snopud.com. A full link to the form is below.

https://links.snopud.com/nsq

As part of the NSQ, the customer is required to include detailed load and timing forecasts, power factor, load profiles, peak demand, one-line diagrams, and any relevant project plans. These documents help the District evaluate the request and determine system requirements.

Submission of an NSQ does not replace or modify application requirements under the Customer Service Regulations ("CSR") or the Line Extension Regulations ("LER"). If a request requires construction of new electric facilities, additional site, property, easement, and permitting information may be required in accordance with the LER. For a link to the CSR and LERs, see the Related Resources section of this document.

2.C FEASIBILITY REVIEW (APPROXIMATELY 2 WEEKS)

A Feasibility Review is the District's initial high-level assessment of a customer's New Large Load request. The purpose of this review is to provide early insight into whether the District can serve the New Large Load with existing electric system capacity, whether any known system limitations may affect service, and whether a more detailed engineering study will be required. The Feasibility Review is conducted after the customer submits a signed NSQ, all required supporting documentation, and has paid the associated non-refundable fee. The minimum Feasibility Review fee is designed to recover the District's reasonable costs associated with the engineering work to perform the review. More complex projects may require a higher than minimum review fee.

The Feasibility Review is a high-level assessment. It does not include detailed engineering modeling, cost estimates, or system design work. Instead, it provides customers with a general understanding of whether service may require upgrades, whether additional processes under this Policy apply, and how the request aligns with the District's broader system capabilities. Where potential needs are identified - such as additional capacity, modifications to the local system, or the possible need for dedicated facilities - the District will provide general directional information to support early customer planning.

When the Feasibility Review is complete, the District will notify the customer of the results. The District will schedule a meeting with the customer to review the findings, answer questions, and explain any requirements identified during the assessment. After this meeting, the District will provide written confirmation summarizing the outcome of the review, including whether a System Impact Study is needed and any additional information the customer must provide before proceeding.

If a customer significantly changes the scope or timing of their project after a Feasibility Review has been completed, the District may require an additional review and may assess a fee for this added work. In some cases, the District and the customer may agree to waive the Feasibility Review and proceed directly to a System Impact Study if a detailed assessment is clearly required.

2.D SYSTEM IMPACT STUDY ("SIS") (APPROXIMATELY 1-4 MONTHS)

For most New Large Load service requests, the District requires a System Impact Study ("SIS") to determine how the additional demand will affect the existing grid unless the District determines during the Feasibility Review that enough system capacity already exists.

An SIS is a comprehensive engineering analysis used to understand how a proposed New Large Load will affect the District's electrical system. The study identifies whether system upgrades or new facilities are required to serve the request safely and reliably. The study also determines the most appropriate way to deliver service, including whether the load should be connected at distribution or transmission level. The results of the analysis help determine whether facilities should be classified as Shared or Non-Shared under this Policy and whether additional processes, such as coordination with other utilities or regional entities, may be necessary. Some large load may require the involvement of BPA with a BPA Line/Load request.

The SIS begins only after the customer has provided all required project information, executed a System Impact Study Agreement, and paid the associated fee. The SIS fee varies based on the complexity, size, and location of the request, as well as the extent of engineering analysis required. More complex projects - such as those that require review of multiple service alternatives, consideration of transmission-level impacts, or coordination with neighboring utilities - may require a higher study fee. The study fee is designed to recover the District's reasonable costs associated with the engineering work necessary to study the proposed load. Any unused portion of the fee will be returned to the customer at the conclusion of the study.

When the SIS is complete, the District will provide the customer with a written report summarizing the impacts of the proposed load, the upgrades or modifications needed to serve it, and the general timeline for completing those improvements. The report includes a good faith, nonbinding estimate of the costs associated with the required system improvements. These findings form the basis for the next steps in the New Large Load process, including more detailed cost estimating and the negotiation of a New Large Load Agreement.

The SIS does not replace or modify any design, construction, or cost recovery requirements established under the Line Extension Regulations or Customer Service Regulations.

2.E NEW LARGE LOAD AGREEMENT

2.E.1 AGREEMENT EXECUTION

Customers subject to this Policy are required to execute a New Large Load Agreement with the District before the District will proceed with detailed engineering, material procurement, or construction work. The agreement establishes the terms under which the District will design and construct the infrastructure necessary to serve the New Large Load, and it defines the customer's financial, operational, and scheduling responsibilities.

The agreement incorporates the results of the SIS, including required system upgrades, facility classifications, and the scope of work necessary to provide service. The agreement does not finalize construction costs or schedules; rather, it sets the framework for how detailed cost estimates and schedules will be developed and approved through subsequent Task Orders. It also establishes expectations regarding deposits, cost-sharing, work sequencing, access, communication, and adherence to applicable District policies.

Each customer agreement includes provisions relating to creditworthiness and performance security, cost recovery and true-up, enforcement and remedies, and other legal terms necessary to ensure that infrastructure investments made to serve the New Large Load are financially protected. The customer agreement must be fully executed before any engineering design, procurement, or construction activities begin.

2.E.2 TASK ORDERS AND DETAILED COST ESTIMATING

Task Orders provide customers with a clear, structured pathway through the design and construction phases of their project. After the customer executes a New Large Load Agreement, the District uses Task Orders to define the discrete scopes of work to be completed in each phase and to share progressively refined information on project costs, schedules, and requirements as project details become better understood.

Each Task Order identifies the scope of work for that phase, the deposit or payment required, and an updated estimate of expected costs based on the design detail and market conditions available at that time. Earlier Task Orders generally support engineering design and project definition, while later Task Orders may include procurement and construction activities that require firm commitments by the District. This phased approach ensures that project costs reflect actual conditions rather than preliminary assumptions.

Task Orders are intended to help customers understand project costs, schedules, and requirements as work progresses. While Task Orders support informed decision-making, outcomes such as customer decision points, refunds, and responsibilities may differ by project. These outcomes depend on factors such as the scope of work authorized, costs incurred to date, and whether facilities are shared with other customers or serve broader system needs.

Each Task Order proceeds only after customer approval and satisfaction of the associated payment requirements. As work is completed, the District reconciles actual costs against deposits, with final true-up occurring at the end of the project. This phased approach allows projects to move forward in a clear and predictable way while accounting for real-world engineering, procurement, and construction considerations.

Task Orders are subject to the customer's New Large Load Agreement and do not alter the applicability of Amperage Fees or Line Extension Fees governed by the Customer Service Regulations or Line Extension Regulations.

2.E.3 CUSTOMER CREDITWORTHINESS AND FINANCIAL SECURITY

All customers subject to this Policy must undergo a formal credit evaluation. The evaluation considers the customer's financial strength and may require the provision of acceptable credit instruments such as letters of credit, parental guarantees, performance security bonds, or cash collateral.

Credit support requirements will be scaled according to project maturity and associated risk, with higher requirements for larger or riskier projects. The District's approach is to align credit and collateral requirements with the relative risk of the project, ensuring that safeguards are proportionate and evolve as projects advance through key milestones. As a project progresses, collateral requirements may be adjusted or reduced accordingly.

Customers may satisfy credit requirements using a range of pre-approved instruments, including letters of credit, surety bonds, parent or sponsor guarantees, and phased cash deposits. This approach provides flexibility for customers with diverse financial structures, while maintaining robust protections for the District and its ratepayers.

Upon credit evaluation, a form of performance security may be required to mitigate risks associated with demand shortfall, project abandonment, or nonpayment. Performance security instruments and amounts will be tailored to the financial strength of the customer and development stage of each project. In the event of partial project completion or demand shortfall, the District will retain the right to recover all incurred expenses from the established performance security.

The District will periodically evaluate evolving credit and collateral requirements, taking into account the customer's contractual commitments and project progression. Specific financial and performance security terms will be detailed in each customer's bilateral contract.

2.F CONSTRUCTION, ENERGIZATION, AND COST TRUE UPS

Construction and energization occur after the customer has executed the New Large Load Agreement and approved the Task Orders that define the scope, deposits, and estimated costs for each phase of work. Construction is performed by the District in accordance with its standards, practices, and applicable codes.

During construction, the District may coordinate planned outages, site access requirements, or other field activities with the customer. The District will provide reasonable notice of construction sequencing and will keep the customer informed about progress, schedule considerations, and any conditions that may affect the timing of work. If unforeseen circumstances arise - including labor or material shortages, third-party impacts, or other conditions beyond the District's control - the District will notify the customer and adjust the schedule as necessary.

As each phase of work is completed, the District will reconcile the actual time-and-materials cost of that phase against the deposit or estimated amount identified in the applicable Task Order. Any overpayment will be applied to subsequent phases or refunded, and any shortfall will be invoiced to the customer in accordance with the terms of the New Large Load Agreement.

Once all required facilities are constructed and tested, and all customer prerequisites for service are met, the District will proceed with energization. Energization marks the point at which the District is capable of delivering power to the New Large Load and is the earliest point at which a customer may elect to begin accruing Demand Credits or Demand Refunds if eligible under this Policy. Service installation, metering, and energization remain subject to the Customer Service Regulations and Electrical Service Requirements.

After energization, and upon completion of all construction activities, the District will perform a final true-up of actual project costs against all deposits and estimated payments made under the Task Orders. This true-up constitutes the final calculation of the customer's financial responsibility for the infrastructure required by this Policy. The results of the true-up will be provided to the customer in writing, and any amounts owed or refundable will be settled in accordance with the customer's agreement with the District.

3. CAPACITY RESERVATION

Capacity Reservation occurs when the District sets aside electric system capacity for a customer prior to energization or full construction of facilities. Capacity Reservations are intended to support customers with defined projects that require additional time to complete development, permitting, or construction activities, while allowing the District to manage system planning and financial risk. A Capacity Reservation may apply to distribution-level or transmission-level capacity and may include standard service capacity, redundant distribution capacity, or other forms of reserved capacity as determined by the District. Capacity Reservations are milestone-based and intended to support bona fide projects; failure to demonstrate progress toward energization may result in release of reserved capacity.

Capacity Reservation may apply in two circumstances:

A. Customers Subject to the NLLP – where capacity needs to be held as part of a New Large Load project that is proceeding under the NLLP process; and
B. Stand-alone Capacity Reservation - when sufficient capacity already exists but a customer requires future service, or where a customer wishes to reserve capacity outside of the NLLP process.

In both cases, Capacity Reservation allows the District to plan and manage system capacity, but the associated costs, agreements, and timing may differ depending on whether infrastructure expansion is required.

3.A CAPACITY RESERVATION FOR CUSTOMERS SUBJECT TO THE NLLP

For customers subject to this NLLP, Capacity Reservation is established through a Capacity Reservation addendum to the customer's New Large Load Agreement. When capacity is reserved, the District treats the reserved amount as committed for planning purposes, including inclusion in load forecasts and long-term infrastructure planning. Capacity Reservations do not guarantee a specific energization date, uninterrupted service, priority restoration, or approval of future service modifications.

3.B STAND-ALONE CAPACITY RESERVATION

Stand-alone Capacity Reservation may apply for customers that are not yet ready to take service but wish to ensure capacity will be available in the future. This may include circumstances where sufficient capacity already exists, but the customer's energization date is uncertain or deferred, or the customer wishes to reserve capacity but does not otherwise fall under the New Large Load Policy. These reservations may be offered at the District's discretion based on factors such as system availability, project readiness, anticipated timing, and potential impacts to other customers. These Capacity Reservations may be established only through a written Capacity Reservation agreement between the customer and the District. The agreement specifies the amount of capacity reserved, deposit and monthly fee requirements, notification procedures, and circumstances under which a reservation may expire or be released. Capacity Reservation agreements are milestone-based, with capacity maintained through the achievement of specified project milestones. Customers must communicate all relevant information to the District in advance, and failure to meet reservation agreement terms may result in forfeiture of deposits and/or loss of reserved capacity. Stand-alone Capacity Reservation agreements are separate from this Policy process and do not replace the requirements for completing the New Service Questionnaire (NSQ), System Impact Study (SIS), or other steps when the customer later seeks to energize the load.

Customers seeking to reserve capacity without initiating the New Large Load process should contact the District for more information using the details provided in Section 5.C.

The standardized fee structures, eligibility conditions, and calculation methodologies applicable to Capacity Reservation are provided in Appendix B – Capacity Reservation Fees.

4. FEES, ELECTRIC RATES, CREDITS, AND COST TREATMENT

4.A APPLICABLE FEES

The District's fee structure ensures that customers requesting new or expanded electric services contribute to the costs associated with infrastructure, capacity, and reliability improvements. These charges include Amperage Fees for service size upgrades, Line Extension Fees for extending power to new locations, and NLLP Fees for significant system enhancements. Additional provisions below cover Shared Facilities, Capacity Reservation Fees for securing future system capacity, and detailed Payment of Fees requirements. Together, these policies maintain fairness and sustainability while supporting safe, reliable electric service for all customers.

This Policy describes certain fees and charges for informational completeness and to provide customers with a consolidated view of the costs that may apply to New Large Loads. Except where expressly stated otherwise, the New Large Load Policy does not establish, modify, or supersede fees governed by the District's Customer Service Regulations ("CSR") or Line Extension Regulations ("LER"). All fees governed by those regulations continue to apply in accordance with their terms, and the CSR and LER control in the event of any inconsistency.

4.A.1 AMPERAGE FEES

When a customer requests to be connected to the District's electric system, Amperage Fees may apply based on the size of the service requested. Amperage Fees are established and governed by the District's CSR and apply to all customers requesting new or modified electric service, regardless of whether the customer is subject to this Policy. These fees are assessed for new service installations, upgrades to a higher capacity, or other temporary power connections. Higher amperage requires larger equipment, additional materials, and sometimes system improvements to ensure safe and reliable service thus, higher Amperage Fees may apply for larger requests.

Amperage Fees are not created or modified by this Policy and are not included within the scope of a Customer's New Large Load Agreement. They are described here solely to inform customers that such fees may apply in addition to any New Large Load Policy fees.

4.A.2 LINE EXTENSION FEES

When a customer requests to have power extended to their property, the District charges Line Extension Fees to recover the cost of labor, materials, equipment, and related expenses associated with physically extending electric service to the customer's point of connection. These fees apply to facilities such as service drops, primary distribution lines, and related equipment that serve only the customer's property and are required to connect the property to the existing District system.

Facilities funded through Line Extension Fees are governed exclusively by the District's LER and are constructed and funded separately from the system upgrades, shared facilities, and capacity-related infrastructure addressed through New Large Load Policy Fees and Task Orders.

Line Extension Fees and the associated contract are separate from and in addition to any fees assessed under the New Large Load Policy and accompanying New Large Load Agreement. This Policy does not alter

Line Extension design standards, cost allocation methods, or contractual requirements established under the LER.

4.A.3 NEW LARGE LOAD POLICY FEES

New Large Loads may require a customer to pay NLLP Fees. If the District determines that sufficient existing capacity is available to serve the New Large Load, NLLP fees may not be required. Fees identified as NLLP Fees are established by this Policy and apply only to customers whose anticipated demand exceeds the threshold specified herein. These fees are intended to recover the incremental costs of infrastructure required to serve New Large Loads that are not otherwise recovered through Amperage Fees or Line Extension Fees.

The System Impact Study (“SIS”) provides a high-level assessment of the technical and financial impacts associated with the requested load and will identify whether infrastructure improvements may be required. The SIS does not establish final costs or fees.

NLLP Fees are developed and refined through the Task Order process under the New Large Load Agreement, as project scope, design detail, and construction requirements become better defined. Task Orders identify the specific infrastructure required to serve the New Large Load and provide progressively more detailed cost estimates that form the basis for the NLLP Fees.

NLLP Fees may include costs for improvements such as distribution system upgrades, substation improvements or expansions, transmission facility upgrades, Non-Standard Facilities, and reliability upgrades. Expansions or new infrastructure funded by the NLLP fees are designed to support the electric services requested by the customer.

This Policy is intended to recover only the incremental costs associated with serving load in excess of 2.5 MVA. For customers subject to the New Large Load Policy, the District bears the costs associated with providing standard service capacity up to the 2.5 MVA threshold. New Large Load Policy fees apply only to the portion of infrastructure costs attributable to demand above 2.5 MVA, after accounting for any useful shared capacity provided by required system upgrades, as further defined in the section below.

The application of the 2.5 MVA threshold under this Policy does not alter the applicability of Amperage Fees or Line Extension Fees governed by the District’s Customer Service Regulations or Line Extension Regulations.

4.A.3.A SHARED FACILITIES

For purposes of this Policy, Shared Facilities are infrastructure improvements that provide capacity or operational benefit beyond serving a single New Large Load. Shared Facilities may include distribution, substation, or transmission facilities that are designed to support current and future system needs above and beyond the requests of the New Large Load, or that may be reasonably expected to provide ongoing benefit to the District if the New Large Load does not fully materialize.

The classification of facilities as Shared or Non-Shared under this Policy applies only to the calculation and proration of New Large Load Policy fees. It does not modify or supersede the treatment of facilities governed by the District’s LER or CSR.

Facilities constructed as part of a line extension are governed exclusively by the LER, including any provisions related to cost responsibility, District participation, or latecomer recovery. Where facilities are subject to the LER, the determination of shared benefit and cost allocation will be made in accordance with those regulations and through separate line extension agreements, regardless of whether the customer is also subject to this Policy.

The District will determine, consistent with applicable regulations and planning standards, to determine whether facilities constructed to serve a New Large Load provide broader system benefit for purposes of New Large Load Policy fee proration. Non-Standard Facilities or facilities that exceed standard service requirements are not eligible for cost sharing under this Policy.

For Shared Facilities, the customer's cost responsibility is determined using a standardized proration methodology that allocates costs based on the customer's Anticipated Demand above the 2.5 MVA threshold and the useful capacity provided by required system upgrades. The proration methodology and formula are provided in Appendix A - Proration of Shared Facilities.

4.A.4 CAPACITY RESERVATION FEES

Capacity Reservation Fees are intended to compensate the District for holding capacity that cannot be allocated to other customers and for incorporating reserved load into system planning and infrastructure decision-making.

Capacity Reservation Fees are not standard electric service rates and are not governed by the District's CSR or LER. They are established through written agreements between the customer and the District and apply only when a customer elects to reserve capacity in advance of taking service.

The structure and amount of Capacity Reservation Fees are determined based on the specific characteristics of the reservation, which may include the amount of capacity reserved, the duration of the reservation, the voltage level of service, anticipated demand, and the extent to which the reservation affects system planning or capital investment. Fees may be structured as monthly charges, deposits, milestone-based payments, or other arrangements as specified in the applicable agreement. The calculation and application of Capacity Reservation Fees, including eligibility conditions and fee structure, are described in Appendix B - Capacity Reservation Fees.

Payment of Capacity Reservation Fees does not initiate construction, guarantee future service approval, or replace other fees or cost responsibilities under this Policy, the LER, or applicable rate schedules. The treatment of Capacity Reservation Fees upon energization, modification, or termination of a reservation, including whether any portion may be credited, applied, or forfeited, is governed by the terms of the customer's agreement with the District.

4.B PAYMENT OF FEES

Detailed cost estimates, required deposits, and milestone-based payment schedules are developed and approved through Task Orders as the project advances from engineering design to material procurement and construction. Customers must approve each Task Order and satisfy the associated payment requirements before the District will proceed with the work covered by that phase.

Estimated fees will be recalculated on a periodic basis as Task Orders are developed and approved, which may result in fee schedule or deposit adjustments. Specific terms will be defined within the customer's agreement.

Customers are required to pay all fees in accordance with the agreed schedule, and failure to do so may result in project delays or termination. A true-up process will be conducted on the agreed upon project completion date to reconcile estimated and actual costs which may result in additional NLLP Fees assessed as owed by the customer. The customer may be eligible to recoup a portion of the NLLP Fees through a Demand Credit or Demand Refund, addressed separately under this Policy and the applicable appendices.

All terms and conditions related to fee calculation, payment, and cost recovery will be documented in the customer's contract.

4.C ELECTRIC RATES

4.C.1 OVERVIEW

In addition to the fees described in this Policy, customers receiving electric service for New Large Loads are subject to the District's electric rate schedules, as adopted by the Board of Commissioners and published in the District's Electric Rate Book. Rate schedules determine how customers are billed for ongoing electric service, including demand charges, energy charges, power factor adjustments, and other rate components.

The rate schedule that applies to a New Large Load depends on factors such as the size of the load, voltage of service, usage characteristics, and whether the customer qualifies for a standard or special rate classification. Examples of rate schedules that may apply to New Large Load customers include, but are not limited to, Large Commercial and Industrial service rates, transmission-level service rates, and rate schedules specifically established for new or unusually large single loads. The District makes the final determination of applicable rate schedules in accordance with the Electric Rate Book and applicable regulations.

This Policy does not establish or modify electric rates. Rate schedules are referenced here solely to provide customers with a more complete understanding of how ongoing electric service may be billed after a New Large Load is energized.

4.C.2 SPECIAL RATE MAKING

In some circumstances, a New Large Load may warrant special rate treatment due to its size, load profile, or system impacts. Where applicable and authorized by the District's Board of Commissioners, such customers may be served under a rate schedule or contractual rate arrangement that differs from standard service classifications. Any special rate-making process is governed by the District's Electric Rate Book, applicable resolutions, and Board approvals, and is separate from the New Large Load Policy process.

Participation in the New Large Load Policy does not guarantee eligibility for a special rate, nor does it determine the specific rate schedule under which a customer will ultimately receive service. Discussions regarding rate classification or special rate treatment, if applicable, occur in parallel with or subsequent to the New Large Load process and are subject to separate review and approval.

4.D CREDITS AND REFUNDS

Demand Credits and Demand Refunds are distinct programs and are administered differently based on customer eligibility and rate treatment. Demand Credits are applied as contractual credits, while Demand Refunds are issued as repayments outside of standard billing. Demand Credits and Demand Refunds are administered pursuant to this Policy and applicable customer agreements and do not modify or replace any rate, tariff, or billing provisions established in the District's rate schedules or Customer Service Regulations.

4.D.1 DEMAND CREDIT PROGRAM

Customers may be eligible for the District's Demand Credit program. Where applicable, the portion of the NLLP Fees attributable to Standard Facilities ("Eligible Dollars") may be returned to the customer over time through Demand Credits. Demand Credits are based on actual billed demand relative to Anticipated Demand and are administered in accordance with this Policy and Appendix C. For customers eligible for Demand Credits, a separate Demand Credit Agreement will be executed to confirm applicable inputs and administer the credit over the term.

The standardized calculation methodology, timing provisions, and eligibility criteria for Demand Credits are provided in Appendix C - Demand Credit Program.

4.D.2 DEMAND REFUND PROGRAM

For eligible New Large Loads that are not subject to or do not meet the threshold for Demand Charges under applicable rate schedules, the District may return a portion of the Eligible Dollars to the customer through the Demand Refund program. Demand Refunds are issued annually as payments separate from the customer's electric bill and are administered in accordance with this Policy.

The standardized calculation methodology, timing provisions, and eligibility criteria for Demand Refunds are provided in Appendix D - Demand Refund Program.

5. POLICY ADMINISTRATION

5.A POLICY ENFORCEMENT AND REMEDIES

The District reserves the right to enforce all Policy requirements and contractual obligations to ensure protection of the District and its customers. Enforcement mechanisms are established to address unpaid balances, Capacity Reservation Fees, and abandoned asset fees. In the event of nonpayment or project abandonment, the District may pursue remedies such as the forfeiture of deposits, termination of service agreements, or legal action to recover outstanding costs. Additionally, if a project is terminated or significantly deviates from the anticipated demand, the District may revert reserved capacity back to the system to maintain operational integrity.

To ensure fairness and transparency, the District will monitor actual load delivered against the Anticipated Demand specified in each customer agreement. If there is a material deviation between the actual and anticipated load, the District may adjust fees, Demand Credits, or other contractual remedies to ensure appropriate cost recovery and protect ratepayers. Such remedies may include recalculation of fees, modification of demand credits, or adjustments to service terms, all in accordance with applicable laws, regulations, and the terms of the bilateral contract.

The District is committed to applying enforcement mechanisms equitably and consistently across all new large load customers. All enforcement mechanisms and contractual remedies will be documented within the customer's bilateral contract.

5.B POLICY AUTHORIZATION AND EFFECTIVE DATE

This Policy is authorized by the District's CEO/General Manager and is effective as of the date specified in the signature block below. The Policy supersedes all prior versions. Customers are encouraged to contact the District for clarification related to Policy applicability or enforcement.

5.C DISTRICT CONTACT INFORMATION

Customers with questions regarding the New Large Load Policy, including eligibility, process steps, agreements, or coordination for large load projects, should contact the District as follows:

New Large Load Inquiries – Key Accounts

Email: keyaccounts@snopud.com

The Key Accounts team serves as the primary point of contact for customers with new or expanding large load requests and will coordinate internally across District departments as needed.

General Business Service Inquiries

Phone: 425-783-1012

(Weekdays, during regular business hours)

The Business Services Representative line may be used for general account-related questions or inquiries not specific to New Large Load projects.

5.D RELATED RESOURCES

The following documents provide additional context and guidance related to the District's New Large Load Policy. These resources are incorporated by reference where applicable but are governed independently of this Policy. These resources are available on the District's website or can be requested using the contact information provided in Section 11 of this Policy.

- **Construction Standards**
  Defines standard assemblies, compatible units, and material specifications for District electric system construction.
- **Customer Service Regulations**
  Outlines general requirements for electric service, including line extension provisions and service standards applicable to all customers.
- **Electrical Service Requirements ("ESR")**
  Comprehensive specifications for overhead and underground service, metering, and generation interconnection.
- **Electric Overhead and Underground Line Extension Regulations**
  Details the rules and cost responsibilities for extending electric service to new locations or modifying existing service facilities, including design standards and cost recovery principles.
- **Electric Rate Book**
  The adopted compilation of electric rate schedules, adjustments, and billing provisions, as approved by the District's Board of Commissioners and updated from time to time.
- **Energy Efficiency Programs**
  District programs that provide incentives, technical assistance, or resources to help customers reduce energy use, improve efficiency, or manage demand.
- **Facility Connection Requirements**
  Technical standards for interconnecting new or modified facilities to the District's system.
- **Facility Relocation Policy**
  District policy that governs the responsibilities and cost allocation for relocating existing District facilities when required by customer projects or third-party actions.
- **Interconnection Agreement**
  A contract between the District and a customer that establishes the technical, operational, and legal terms for connecting a facility to the District's electric system, consistent with applicable District requirements and regulations.
- **Rate Schedule 20 – General Service, Medium Load**
  Applies to commercial, industrial, governmental, and institutional customers with moderate to large electric demand and includes customer, energy, and demand-based charges subject to the District's Customer Service Regulations and applicable adjustments.
- **Rate Schedule 36 – Large Commercial and Industrial Service**
  Specifies demand charges and other rate components relevant to large load customers taking service at primary or secondary voltage.

- **Rate Schedule 37 – New Large Single Loads**
  Applies to customers classified as "New Large Single Loads," typically those with significant annual consumption growth and requiring special contractual terms.
- **Rate Schedule 38 – Transmission Service**
  Specifies pricing and terms for customers taking service at transmission voltage.
- **Rate Schedule 82** – **Adjustments, Terms and Conditions of Service, and Limitations of Liability**
  Provides adjustments and service-related provisions that supplement a customer's primary rate schedule, including power factor adjustments, redundant distribution capacity charges, and other billing conditions that affect total electric charges.

5.E APPROVAL

John Haarlow

By: John A. Haarlow | CEO/General Manager

Date: 07/17/2026

APPENDIX A – PRORATION OF SHARED FACILITIES

PURPOSE

This appendix describes the standardized methodology used to determine a customer's cost responsibility for Shared Facilities funded through New Large Load Policy Fees.

APPLICABILITY

Applicable infrastructure costs are classified as Shared or Non-Shared in accordance with this Policy. Non-Standard Facilities and the incremental cost of Non-Standard Facilities above Standard Facilities are not eligible for proration.

PRORATION FORMULA

For each component of Shared Facilities required to serve a customer's New Large Load, the customer's cost responsibility for that component is calculated as the greater of zero or the following:

$$Applicable\ Cost * min\left(\frac{Anticipated\ Demand - max(2.5\ MVA, Available\ Capacity)}{Additional\ Capacity\ Provided\ by\ Required\ Upgrades}, 1\right)$$

Where:

- **Applicable Cost** = the cost of the Shared Facilities component being evaluated
- **Anticipated Demand** = the customer's forecasted demand used for planning under this Policy
- **Available Capacity** = existing usable capacity available on the relevant system component prior to the upgrade
- **Additional Capacity Provided by Required Upgrades** = the usable incremental capacity created by the upgrade for the relevant system component

APPENDIX B – CAPACITY RESERVATION FEES

PURPOSE

This appendix describes the standardized fee structure used when a customer reserves capacity prior to energization or full utilization, consistent with the New Large Load Policy.

APPLICABILITY

CAPACITY RESERVATION WITH NLLP FEE PAYMENT

For customers who pay New Large Load Policy Fees, the District may reserve capacity equal to the customer's Anticipated Demand for the duration of the applicable recovery period, under the terms of the customer's agreement.

CAPACITY RESERVATION WITH EXISTING CAPACITY (NO NLLP FEE)

If a customer is eligible for the Policy but NLLP Fees are not required due to sufficient existing capacity, the customer may, at the District's discretion, reserve capacity prior to Commercial Operation under a written agreement.

FEE CALCULATION

When a monthly Capacity Reservation Fee applies, the Reservation Fee equals:

$$Reservation\ Fee = Reservation\ Demand\ Rate * (Anticipated\ Demand - max(2.5\ MVA, Available\ Capacity)$$

Where the Reservation Demand Rate is:

- 70% of the Demand Charge in the applicable large load rate schedule for customers taking delivery at primary or secondary voltage (historically tied to Rate Schedule 36), or
- 70% of the Demand Charge in the applicable transmission rate schedule for customers taking service at transmission voltage (historically tied to Rate Schedule 38).

APPENDIX C – DEMAND CREDIT PROGRAM

PURPOSE

This appendix describes the standardized methodology used to calculate the annual Demand Credit applicable to Eligible Dollars under the New Large Load Policy.

ELIGIBILITY

CREDIT STRUCTURE

The portion of New Large Load Policy Fees attributable to Standard Facilities ("Eligible Dollars") is returned to eligible customers through an annual Demand Credit applied once per year over 120 months (Credit Period).

HOW DEMAND CREDITS ARE EARNED

The Demand Credit is based on actual billed demand relative to Anticipated Demand. If average annual billed demand is at least 90% of Anticipated Demand, the maximum annual credit is applied; otherwise, the credit is prorated.

DEFINITIONS

Eligible Dollars: The portion of New Large Load Policy Fees attributable to Standard Facilities.

Anticipated Demand: The District's estimate of the customer's expected electrical demand once the project is operating as planned. Anticipated Demand is based on information provided by the customer, such as project plans and load forecasts, and is used for system planning, cost allocation, and determining eligibility under this Policy.

Average Billed Demand: The customer's actual electrical demand as measured by the District over time, based on billing records after service has begun. Average Billed Demand reflects how much power the customer is actually using and is used to evaluate performance relative to Anticipated Demand for purposes such as Demand Credits.

Credit Period: 120 months during which annual credits may be applied.

CREDIT CALCULATION

The annual Demand Credit is calculated as the lesser of:

1. the value of actual demand charges paid during the previous 12 months, and
2. the Calculated Annual Credit determined below.

$$Calculated\ Annual\ Credit = \ Eligible\ Dollars * Amortization\ Factor * Performance\ Factor$$

Where:

- Amortization Factor is based on the Wall Street Journal Prime Rate ("Prime Rate") published on the day all applicable fees are paid in full:

$$Amortization\ Factor = \frac{r(1+r)^{10}}{(1+r)^{10}-1}$$

and r = Prime Rate.

- Performance Factor measures actual demand relative to anticipated demand and is capped at 1:

$$Performance\ Factor = min\left(\frac{Average\ Billed\ Demand}{Anticipated\ Demand * 0.9}, 1\right)$$

ELECTION PERIOD

A customer may elect for Demand Credits to begin accruing either:

- upon energization of the new load, or
- when the new load achieves Commercial Operation (as defined in the Policy/Agreement).

Commercial Operation must occur no more than five years after full payment of eligible fees (the "Election Period"), and the customer must notify the District of the elected start date in accordance with this Policy and applicable customer agreements.

If the customer does not provide notice of Commercial Operation within the Election Period, the District will begin credit accrual at the end of the Election Period; if the customer fails to achieve energization by the end of the Election Period, the Demand Credit will be forfeited.

APPENDIX D – DEMAND REFUND PROGRAM

PURPOSE

This appendix describes the standardized methodology used to determine eligibility for, calculate, and administer Demand Refunds under the New Large Load Policy. Demand Refunds apply to eligible New Large Loads that are not subject to demand charges or do not meet the threshold for demand charges under applicable rate schedules and are intended to return a portion of New Large Load Policy Fees associated with those services.

ELIGIBILITY

A customer may be eligible for Demand Refunds when a New Large Load includes services that are not subject to demand billing or with individual demands below the demand-charge threshold under the rate schedule applicable to the customer's service.

Demand Refunds apply only to the portion of New Large Load Policy Fees attributable to Standard Facilities ("Eligible Dollars") associated with those services.

REFUND CALCULATION

BACKGROUND

The Demand Refund amount is based on:

- the electrical size of the eligible New Large Load (measured in MVA), and
- the demand charge in effect under the applicable rate schedule at the time the New Large Load Policy Fees are paid.

Rather than being tied to ongoing billing demand, Demand Refunds use a standardized framework intended to approximate how recovery of Eligible Dollars could occur if the services were subject to demand charges.

For eligible services that are not subject to demand charges under the applicable rate schedules, the methodology used to determine annual refund amounts, load realization, and refund timing may be further defined in the applicable Demand Refund Agreement.

REFUND AMOUNT

The cumulative amount of Eligible Dollars that may be refunded for an eligible New Large Load shall not exceed the lesser of:

1. Eligible Dollars; or
2. The Demand Refund Cap, as defined below:

$$Demand\ \ Refund\ Cap = \ (MVA\ of\ the\ New\ Large\ Load) \times 120 \times (Applicable\ Demand\ Charge)$$

Where:

- MVA of the New Large Load reflects the electrical requirements of the eligible services,

- 120 represents the ten-year refund period expressed in months, and
- Applicable Demand Charge is the demand charge in effect under the applicable rate schedule at the time the New Large Load Policy Fees are paid.

The Demand Refund Cap establishes an upper boundary intended to approximate the demand charges that could have been incurred over a ten-year period, had the eligible services been subject to demand charges.

For services that are not subject to demand charges under the applicable rate schedule, the Demand Refund Agreement may establish an alternative methodology and calculation inputs for determining realization of load consistent with the objectives of this Policy.

REFUND TIMING

Demand Refunds are generally issued annually over a ten-year period beginning with the year after payment of applicable New Large Load Policy Fees, unless the customer elects an alternative start date. A customer may elect to begin the refund period at the end of any calendar year within five years of the payment date, provided a written notice is delivered no later than 12 months after payment of New Large Load Policy Fees.

For services that are not subject to demand charges under the applicable rate schedule, the timing of Demand Refunds may differ from the standard annual refund structure described above. In such cases, the District may utilize alternative methodologies for measuring load realization, including but not limited to energization of services, energized meter counts, customer counts, development milestones, estimated demand equivalents, or other objectively measurable criteria. Any alternative refund timing, calculation methodology, or performance measure shall be documented in the applicable Demand Refund Agreement and administered consistent with the objectives of this Policy.

Refund payments are issued separately from the customer's electric bill and are administered in accordance with the customer's New Large Load Agreement.