

ELECTRIC SCHOOL BUS GRANT PROGRAM OVERVIEW.

Public Service Company of Colorado (“Xcel Energy”) is offering a limited time Electric School Bus Grant Program (the “Program”). The Program will provide a grant in the form of cash to reimburse Eligible Costs paid by eligible Xcel Energy electric customers (“Customer”) to acquire qualifying School Buses and required Associated Charging Infrastructure Technology. The reimbursement will be provided in accordance with the terms and procedures set out below and will be made in the form of a check or checks in amounts not to exceed the Xcel Energy approved grant issued to the Customer. (“School Bus Grant”). The School Bus Grant is available in addition to any Federal and State of Colorado tax credits and rebates.

In total, Xcel Energy anticipates awarding up to \$2.2 million in School Bus Grants under the Program. Approved Customers will receive a School Bus Grant of 75 percent of the Customer’s total Eligible Costs of the approved Project or \$275,000, whichever value is lower, if the Project has no additional funding source (other than funds contributed to the Project by the Customer). If a Project will or does receive funding from another source, the total School Bus Grant available through this Program for the applicable Project will equal 75 percent (of the total Eligible Costs of the approved Project minus any additional funding received), or \$275,000, whichever value is lower. To participate in the Program, there is no requirement to destroy or recycle an old bus in operation, however, the Customer must acquire and use new electric School Buses to receive a School Bus Grant. School Bus Grants set forth in this application will be valid as of the Customer’s Acceptance Date (as defined below).

To participate in the Program, the Customer must meet the eligibility requirements set forth herein and must complete the application form in its entirety. Upon receipt of an application, Xcel Energy will determine, in its sole discretion, whether the Customer may participate in the Program and, if accepted into the Program, the amount of any School Bus Grant which the approved Customer may receive under the Program. The Program, the School Bus Grants and a Customer’s participation in the Program are subject to the Program terms and conditions set forth in this application and any additional program requirements found online at www.xcelenergy.com/xxxx (“Grant Terms”).

APPLICATION PROCESS.

To participate in the Program and to be approved to receive a School Bus Grant, the Customer must:

1. Fill out the Program application (one per applicant).
2. Applications must include the following information:
 - a. Name of the Customer
 - b. Name and contact information for the Customer point of contact
 - c. Brief description of the Project scope, goals and efforts that these School Bus Grants will support within the Customer’s electrification efforts¹
 - d. Submit proposal or quotes from the School Bus manufacturer and provider of the Associated Charging Infrastructure Technology (if applicable). Submitted documents must provide a detailed description of School Bus and Associated Charging Infrastructure Technology to be acquired; including

- e. brand, model, charger size, cost per unit (breaking out fees, and taxes) and total units anticipated to be purchased.
 - e. Description of how the School Bus and Associated Charging Infrastructure Technology was selected (i.e. competitive bid, sole source, other)
 - f. Physical address of the site where the School Bus(es) will be parked and charged, as well as a description of ownership of the site and usage plans for the site for the next 10 years
 - g. High level route detail of the School Bus(es) and communities included in the routes, estimated Kilowatt hours, estimated vehicle miles traveled, estimated annual days in service, and estimated number of students served
 - h. Anticipated date the School Bus and Associated Charging Infrastructure Technology will be ordered
 - i. The schedule of payments that will be expected to be needed to secure the order and manufacture of the School Bus(es)
 - j. Anticipated date the School Bus(es) and Associated Charging Infrastructure Technology will be delivered to the Customer
 - k. Anticipated date the School Bus(es) and Associated Charging Infrastructure Technology will be operational
 - l. The total cost of the School Bus(es) and Associated Charging Infrastructure Technology, additional sources of funds (cash match, other state/local funding sources secured) and the total amount of School Bus Grant being requested
 - m. Applications must include the latest available data on percentage of students in the qualifying Customer’s School District receiving Colorado School Nutrition Program Assistance
 - n. Applications must also include a letter of commitment from an Executive from the School Board or other School District Executive committing support for the Project.
3. Mail, fax or email the completed application to: XXXXXX or submit application and documentation online at xcelenergy.com/XXXXX.
 4. The Xcel Energy Program team will review the application and inform the applying Customer of Xcel Energy acceptance (or denial) into the Program.
 - a. Approved applications will receive an approval letter which will provide the date of the Customer’s acceptance into the Program (“Acceptance Date”) and the total amount of the School Bus Grant available for the Project
 - b. If an application is denied for any reason, the Customer will receive a letter noting its application is not approved for the Program
 - c. Xcel Energy may request additional documentation from the applying Customer to confirm the accuracy of the information provided and the Customer’s eligibility for the School Bus Grant.
 5. The accepted Customer will work with the assigned Xcel Energy team to ensure clarity of payment schedules and will then proceed with the School Bus procurement according to the Program requirements.

The individual signing and submitting the application on behalf of the Customer applying for the School Bus Grant represents and certifies that: (a) such individual has the authority to submit the application on behalf of the Customer and bind the Customer to these Grant Terms; (b) such individual has read and agreed to the requirements of the Program

¹ See the 60 Day Notice: School Bus Electrification available at https://www.xcelenergy.com/company/rates_and_regulations/filings/transportation_electrification_plan

and the Grant Terms; (c) the information provided in the application is true and correct, and (d) if any of the information provided is discovered to be false, the Customer agrees to pay back any School Bus Grant.

SCHOOL BUS GRANT PROCESS.

Upon acceptance into the Program, Xcel Energy will provide the Customer a maximum approved School Bus Grant that will be made available to the Customer based upon the Project submitted and approved. Xcel Energy will work collaboratively with the Customer to understand the Eligible Costs to be reimbursed through the School Bus Grant, the payment schedule for the School Bus Grant and the documentation required to be provided to Xcel Energy to support each School Bus Grant payment for the Project. Subject to the Customer adhering to the Grant Terms and providing all required documentation to support the payment of the School Bus Grant, reimbursement for Eligible Costs, up to the total approved School Bus Grant amount, will be paid upon the date the School Bus receiving a School Bus Grant commences on-route service ("Commercial Operation"), except where it is otherwise determined upfront funding is necessary to move forward with School Bus procurement. To receive payment of the School Bus Grant the Customer must:

- Submit a copy of the signed qualifying School Bus and Associated Charging Infrastructure Technology purchase agreement(s), and proof of temporary or permanent Colorado vehicle registration for the School Bus.
- Provide approved paid-in-full itemized invoices showing the Eligible Costs to be reimbursed through the School Bus Grant including the number of School Buses and Associated Charging Infrastructure Technology purchased, including quantity, make, model number and unit prices of each invoiced item.
- Provide photograph(s) of School Bus and Associated Charging Infrastructure Technology.

If requested by Customer for the Project and approved by Xcel Energy, in its sole discretion, the schedule for payment of the School Bus Grant may be structured as partial upfront payments, to support the Customer's initial deposit requirements for the School Bus manufacturer to begin building the School Bus(es), with a payment of the balance (or refund of the overpayment) of the approved School Bus Grant upon the date of Commercial Operation of the School Bus by the Customer, provided:

- The School Bus Grant funding amount shall not to exceed the approved School Bus Grant amount identified in the Customer's application approval letter.
- The Customer is responsible for any amount to purchase the School Bus and related Associated Charging Infrastructure Technology in excess of approved School Bus Grant identified in the Customer's application approval letter.
- If the advance School Bus Grant amount received by the Customer is more than final actual Eligible Costs paid by the Customer for the eligible School Buses and Associated Charging Infrastructure Technology, based on the Customer's paid invoice amounts, the Customer will promptly reimburse Xcel Energy for the difference.
- If the School Bus and Associated Charging Infrastructure Technology for which an advance School Bus Grant was received is not installed or is not put into Commercial Operation within two years from the Acceptance Date, the Customer shall return any and all upfront Bus Grant funds received to Xcel Energy.

- For any Projects which receive upfront funding, the timing and amount of School Bus Grant amounts to be dispersed may be laid out in a separate funding agreement for each Project.

In addition to the above requirements, to receive the approved School Bus Grants, the Customer shall provide Xcel Energy with the following:

- Detailed accounting on a quarterly basis for any portion of the School Bus Grant received from Xcel Energy in advance of full School Bus Commercial Operation, including:
 - A copy of the fully executed School Bus procurement contract must be provided within 30 days after contract award to receive advance School Bus Grant funding.
 - A separate account must be set up for any School Bus Grant funds received in advance.
 - The Customer must provide monthly schedule updates on anticipated delivery, and immediately upon receipt of any variation in schedules provided by the vendors.
- Confirmation of the installation and commissioning of the Associated Charging Infrastructure Technology.

The Customer will be responsible for paying any administrative and financing costs associated with procuring the School Buses and Associated Charging Infrastructure Technology. Such costs shall not be Eligible Costs for reimbursement through the Program

All Projects receiving a School Bus Grant must be in Commercial Operations within two years of the Acceptance Date, unless otherwise agreed by Xcel Energy.

Xcel Energy will issue School Bus Grant funds within six to eight weeks of determining that the participating Customer has submitted all documents required to support dispersing the School Bus Grant payment. If necessary, Xcel Energy may request additional documentation from a Customer prior to issuing School Bus Grant funds if Xcel Energy determines that any required information is missing or incomplete. In such a case, Xcel Energy will provide the Customer with a reasonable amount of time to submit additional information. The Customer acknowledges that Xcel Energy's obligation to pay any School Bus Grant is subject to the customer providing such additional information.

All Program funding will be provided on a first-come, first-served basis, subject to each customer meeting the eligibility criteria and submitting a complete and accurate application.

PROGRAM AND ELIGIBILITY REQUIREMENTS:

Eligible Costs:

School Bus Grants will be available to offset the following actual costs incurred by the Customer for an Xcel Energy approved Project ("Eligible Costs"):

- the actual amounts paid by the Customer on the purchase of an eligible School Bus which meets the eligibility requirements contained in these Grant Terms.
- The actual amounts paid by the Customer on the purchase and installation of Associated Infrastructure and Charging Technology.

Eligible Costs shall not include any Project management or administration costs and expenses, taxes associated with the Customer's receipt of a School Bus Grant, financing costs or interest.

School Bus Eligibility Requirements:

To be eligible for the School Bus Grant, the School Bus procured by the Customer must meet the following criteria:

- Has not been previously owned,
- Is procured directly from the manufacturer and is the manufacturer's latest model
- Has not been modified from the original manufacturer's drivetrain specifications,
- Is 100 percent electric drivetrain,
- Is purchased after the launch date of the Program as communicated by Xcel Energy, and
- meets the minimum standard governing school transportation vehicles as outlined by the Colorado Department of Education,
- Must be used and operated in Colorado and remain in Regular Use in Colorado for a period of at least two years from the date of Commercial Operation.

Customer Eligibility Requirements:

To qualify for the Electric School Bus Grant Program, the Customer must meet and continue to meet the following requirements:

- must be a public K through 12 public school district, or a provider hired by such public school district to provide School Bus transportation services to the public school district.
- must be an Xcel Energy electric retail service Customer and must intend to charge the School Bus more than fifty percent of the time at a valid address within Xcel Energy's electric service territory.

Ongoing Program Requirements:

Upon receipt of a School Bus Grant, the participating Customer agrees to comply with the following ongoing requirements:

- The Customer must maintain ownership and Regular Use of the School Bus receiving a School Bus Grant for a minimum of two years from the date the Customer receives the final School Bus Grant payment for the applicable School Bus ("Required Operational Period"), unless the School Bus is deemed Nonoperational. In the event the Customer deems the School Bus for which a School Bus Grant was received Nonoperational or intends to discontinue ownership within two years of receiving the final payment of a Bus Grant, the Customer must immediately notify Xcel Energy.
- If the School Bus for which a School Bus Grant was received is sold (or ownership of the School Bus is otherwise transferred by the Customer), is not in Regular Use, determined to be Nonoperational before the end of the Required Operational Period or used for purposes other than described in these Grant Terms, the Customer may be required to return up to the full amount of the School Bus Grant to Xcel Energy. The amount required to be returned is at the discretion of Xcel Energy, and will be determined on a case-by-case basis (the "Refund Amount").
- The Customer must enroll and participate in Xcel Energy's Fleet Advisory Electrification Program (FEAP) for a period of no less than two years from Commercial Operation. More information regarding the FEAP may be found at www.xcelenergy.com/XXXXX.
- The Customer shall charge the School Bus on an available time-varying rate and/or managed charging option offered by Xcel Energy. For more information on Xcel Energy rate plans please visit www.xcelenergy.com/XXXXXX.

PROGRAM TERMS AND LIMITATIONS.

The Program qualifications and School Bus Grant amounts are subject to change or cancellation anytime.

Xcel Energy may initiate changes to the Program as necessary to comply with Colorado Public Utility Commission ("Commission") directives. Xcel Energy shall endeavor to provide applicants with notice of any such changes.

Customer's participating in the Program must retain all financial records, supporting documents, accounting books and other evidence of the Program activities for three years after receipt of the final School Bus Grant.

Xcel Energy may conduct random reviews and audits of a Customer participating in the Program. Xcel Energy, or its designees, may request copies of documentation from participating Customer to verify statements made on the application and payment forms. Xcel Energy, or its designees, may also conduct site visits to inspect the Customer's approved Project, to confirm documentation is on hand and that School Buses are still owned by the participating Customer and are in Regular Use. The Customer agrees to provide reasonable access to inspect the Project. On-site inspections may be performed up to three years after the date the final School Bus Grant check is issued. If Xcel Energy finds that the Customer, application or Project does not comply with these Grant Terms, any School Bus Grant amount may be adjusted, denied or subject to return.

Any decisions regarding the selection, design, purchase, use and operation of any School Bus or Associated Infrastructure Charging Technology, or the provider of the installation services shall be at the sole discretion and are the sole responsibility of the participating Customer.

Participating Customers will comply with all applicable federal, state and local statutes, rules, regulations, laws, orders and decisions that relate to or govern its participation in the Program and/or the Customer's purchase and operation of the School Buses.

Xcel Energy may terminate, or for any duration suspend, a Customer's participation in the Program in the event the Customer fails to abide by Grant Terms. In the event Xcel Energy terminates Customer's participation in the Program under this paragraph, the Customer shall return the full amount of the Grant received under this Program to Xcel Energy within 30 days of such termination.

The Customer hereby consents to Xcel Energy's disclosure of any information or data obtained by Xcel Energy as a result of Customer's participation in the Program or the FEAP, including "customer data" as defined by Commission rules, subject to Commission data privacy requirements. Customer consents to the public reporting of such data in an anonymized or aggregated form as required by the Commission. Xcel Energy will not be responsible for any tax liability imposed on a Customer as a result of its participation in the Program or as a result of the payment of School Bus Grants. The Customer is responsible for all tax liability imposed as a result of the School Bus Grant, if any.

The Customer acknowledges that Xcel Energy, nor any of their respective employees, consultants, contractors, or agents, (a) are responsible for assuring that the School Bus or Associated Charging

Infrastructure Technology complies with any particular laws, codes, or industry standards, including the minimum standard governing school transportation vehicles outlined by the Colorado Department of Education or (b) have made any representations of any kind regarding (i) the results to be achieved by the Program or (ii) the School Bus including, but not limited to, its performance, fitness for use, or safety. Xcel Energy does not endorse any particular manufacturer or School Bus by offering these School Bus Grants. Xcel Energy does not expressly or implicitly warrant the performance of the School Bus or Associated Charging Infrastructure Technology. Xcel Energy is not liable for any damage caused by the operation or malfunction of the School Bus or Associated Charging Infrastructure Technology; and does not guarantee that a specific level of energy, fuel or cost savings will result from the purchase and use of a School Bus funded under this Program. Xcel Energy makes no representations or warranties regarding whether the Customer will or will not qualify to receive the School Bus Grant.

The Customer agree to release and hold harmless Xcel Energy, its affiliates and their officers, directors, shareholders, employees and contractors from and against any and all causes of action, damages, losses, claims, expenses, demands, costs (including attorneys' fees and expenses and all court, arbitration or other dispute resolution costs), or any of them, resulting from, arising out of, or in any way directly connected with this Program, Customer's receipt of the School Bus Grant, failure to receive the School Bus Grant, or any taxes associated therewith.

The Customer may qualify for other Xcel Energy electric vehicle infrastructure programs for support. More information on these programs and program requirements can be found at the following link: www.xcelenergy/XXXXXX

The following terms will apply to Customers subject Article X, Section 20 of the Colorado Constitution: Consistent with Article X, § 20 of the Colorado Constitution, any financial obligation of the Customer not performed during the current fiscal year is subject to annual appropriation, and thus any obligations of such Customer hereunder shall extend only to monies currently appropriated and shall not constitute a mandatory charge requirement, debt or liability beyond the current fiscal year. Notwithstanding anything to the contrary, it is the intent of the Xcel Energy and the Customer that if the Customer is obligated to return all or a portion of any of the School Bus Grant in accordance with these Grant Terms, that such obligation is not a charge requirement, debt or liability beyond the current fiscal year. Each fiscal year during the Required Operational Period, the Customer shall use its reasonable efforts to appropriate the full amount of the School Bus Grant that may be payable to Xcel Energy as the Refund Amount.

PROGRAM DEFINITIONS.

For purposes of the Program, the following definitions apply:

- "Associated Charging Infrastructure Technology" means Electric Bus charging infrastructure and associated equipment which is certified by one of the following options: Underwriters Laboratories (UL), UL 2594 Standards for Electric Vehicle Supply Equipment; IEC (International Electrotechnical Commission) 61851-23, IEC 62196, and IEC 61000 EMC standards (these charging stations must be certified (listed and labeled) with ETL; or an equivalent nationally recognized testing laboratory certification, with supporting evidence of such certification provided to Xcel

Energy. All Associated Charging Infrastructure Technology must have networking capabilities to be eligible for a School Bus Grant.

- "School Bus" mean a Class 4-8 (GVWR 14,001 pounds or higher) bus sold or introduced into interstate commerce for purposes of carrying students to and from school or related events. May be Type A-D.
- "Nonoperational" is defined as the Electric Bus no longer being in Regular Use or not able to meet the requirements of Commercial Operation.
- "Project" means the acquisition and placement in operation of a specific qualifying School Bus or School Buses and Associated Charging Infrastructure Technology as set forth in an application and approved by Xcel Energy.
- "Regular Use" is defined as operating on an identified School Bus route and in operation at least 50 percent of the scheduled routes during each calendar year.