

M.J.M. ELECTRIC COOPERATIVE, INC.

SECTION III – MEMBERS AND CONSUMERS

Policy 34 APPROVED: 02/21/2008

REVIEWED: 3/24/2016

**REVISED: 02/23/2017 11/30/2017 11/29/2018 01/23/2020
09/29/2022 05/23/2024 11/24/2024 02/26/2026**

**INTERCONNECTION AND PARALLEL OPERATION
OF DISTRIBUTED GENERATION**

I. OBJECTIVE

To establish safety, reliability and economic criteria for interconnection and parallel operation of distributed generation that encourage Member-Owned on-site electric generation facilities using renewable fuel sources designed primarily, but not exclusively, to offset the Member's electrical requirements while honoring the Cooperative's objective to provide equitably priced electricity to all Members on a Cooperative basis.

II. DEFINITIONS

DISTRIBUTED GENERATION is defined as any generation built within close proximity to the generating Member's load regardless of generation capacity or energy source of such generation and includes but is not limited to:

- A. small scale environmentally friendly generators such as photovoltaics (PV), fuel cells, small wind turbines;
- B. microturbines or reciprocating engines fueled by renewable fuels such as landfill gas or methane gas from digesters;
- C. any qualifying facility (QF) under the Public Utility Regulatory Policies Act of 1978 (PURPA);
- D. commercial emergency and standby diesel generators installed, for example, in hospitals, hotels and farms;
- E. residential standby generators.

IEEE STANDARD 1547 – The Institute of Electrical and Electronic Engineers, Inc. (IEEE) Standard 1547 (2003) "Standard for Interconnecting Distributed Resources with Electric Power Systems", as amended and supplemented, at the time the interconnection request is submitted.

IEEE STANDARD 1547.1 – The IEEE Standard 1547.1 (2005) “Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems”, as amended and supplemented, at the time the interconnection request is submitted.

NAMEPLATE CAPACITY – The maximum rated output of a generator, prime mover, or other electric power production equipment under specific conditions designated by the manufacturer and is usually indicated on a nameplate physically attached to the power production equipment.

POINT OF INTERCONNECTION – The point of interconnection shall be the physical location where Cooperative and Member facilities are interconnected.

SMALL GENERATOR FACILITY – The equipment used by an interconnection at a single meter location to generate, or store electricity that operates in parallel with the electric distribution system with a total nameplate generation capacity of no larger than 25 kW. A small generator facility typically includes an electric generator, prime mover, and the interconnection equipment required to safely interconnect with the electric distribution system or local electric power system. These facilities have been approved by a nationally recognized testing laboratory or must have been approved by the Cooperative under a study process.

UL STANDARD 1741 – Underwriters Laboratories’ standard titled “Inverters Converters, and Controllers for Use in Independent Power Systems”, November 7, 2005 edition, as amended and supplemented.

BATTERY ENERGY STORAGE SYSTEMS (BESS) STANDARDS – Underwriters Laboratories’ standards UL 1973 – Batteries for Use in Stationary, Vehicle Auxiliary Power and Light Electric Rail (LER) Applications and UL 9540 – Energy Storage Systems and Equipment. National Fire Protection Association NFPA 855 – Standard for the Installation of Stationary Energy Storage Systems, NFPA 111 – Standard on Stored Electrical Energy Emergency and Standby Power Systems, and NFPA 70 – National Electrical Code. National Electrical Safety Code, Institute of Electrical and Electronic Engineers Standard IEEE 2030.2.1 – IEEE Guide for Design, Operation, and Maintenance of Battery Energy Storage Systems, both Stationary and Mobile, and Applications Integrated with Electric Power Systems.

WITNESS TEST – For lab certified or field approved equipment, verification (either by an on-site observation or review of documents) by the Cooperative that the interconnection installation evaluation required by IEEE Standard 1547 Section 5.3 and the commissioning test required by IEEE Standard 1547 Section 5.4 have been adequately performed. For interconnection equipment that has not been lab certified or field approved, the witness test shall also include the verification by the Cooperative of the on-site design tests as required by IEEE Standard 1547 Section 5.1 and verification by the Cooperative of production tests required by IEEE Standard 1547 Section 5.2. All tests verified by the Cooperative are to be performed in accordance with the test procedures specified by IEEE Standard 1547.1.

III. APPLICABILITY

This interconnection policy applies to Cooperative Members proposing to install and interconnect distributed generation facilities that:

- A. Are not subject to the interconnection requirements of MISO/PJM; and
- B. Are designed to operate in parallel with the electric distribution system.

IV. INTERCONNECTION REQUESTS

- A. Members seeking to interconnect a generator facility shall submit an interconnection request using the form attached hereto as Attachment A. **Prior to installing an interconnection system, the Member and a designated MJM employee must review and complete Attachment B together.**
- B. Interconnection equipment shall be deemed to be lab certified if it is evaluated by a nationally recognized testing laboratory (NRTL) and found to be in compliance with IEEE 1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity), UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems and NFPA 70 National Electrical Code. Battery energy storage systems installed must be in compliance with Battery Energy Storage Systems (BESS) Standards UL 1973, UL 9540, NFPA 855, NFPA 111, NFPA 70, and IEEE 2030.2.1.
- C. Interconnection equipment shall be deemed to be field approved if within the previous 36 months of the date of the interconnection request, it has been previously approved for use with the proposed distributed generation facility in a materially identical system application, and the prior approval process included a successful witness test.
- D. The Member must submit to the Cooperative plans of the proposed installation and must obtain approval for the installation. This approval process will include a review by the Cooperative of the effect of the proposed generation on the Cooperative's distribution system, including its protective scheme. The Member requesting interconnection shall pay the cost of this review. No installation will be permitted that reduces reliability to other Members or causes voltage and/or capacity conditions on the system to be outside of the limits of ANSI C84.1 Range A.
- E. Interconnected services must be accompanied by an active kilowatt-hour consumption load.
- F. **Load Side Connection:** A load side connection is performed by connecting the Distributed Generation (DG) output circuit on the load side of the main service disconnecting means. (Note: MJM requires this type of tap over the supply side connection because it allows the Member to complete their work without requiring MJM to de-energize the service. An additional benefit is that the main service disconnecting usually also provides overcurrent protection. Thus, for faults at the tap point, a member-owned protection device will open to clear the fault.

- G. **Dedicated Transformer:** If a Member with a proposed Generating Facility is served from a MJM distribution transformer that also serves other members, and if the Maximum Capacity of the proposed Generating Facility in aggregate with any existing member Generating Facilities on the shared transformer exceeds 75% of the transformer nameplate rating, the Member may be required to upgrade the transformer (at the Member's sole cost) or to be served from a dedicated transformer. The primary purpose of the dedicated transformer is to ensure that (1) the Generator(s) cannot become isolated at the secondary level voltage with a small amount of other members' load and (2) the Generator(s) does not contribute any significant fault current to other customers' electrical systems. Dedicated transformers also help to confine any voltage fluctuation or harmonics produced by the Generator(s) to the Member's own system. MJM will furnish and install the dedicated transformer at the Member's expense.
- H. **DG Disconnect Switch:** Members shall install and maintain a visual-open, manually operated, load break Disconnect Switch that will completely open and isolate all ungrounded conductors of the Member's Generating Facilities from the MJM system. For multi-phase systems, the switch shall be gang-operated. The Disconnect Switch shall comply with the additional requirements listed below.
1. Visible Open and Lockable Requirements for the disconnect switch shall be visible-open such that the switch blades, jaws, and the air-gap between them are clearly visible when the switch is in the "open" position and the front cover of the switch box is opened. The switch handle shall be capable of being locked in the "open" position by a standard MJM padlock with a 3/8" shank. The 3/8" shank padlock shall not be field modified in any way.
 2. The Disconnect Switch shall be installed in a Readily Accessible location to provide safe, easy, unrestricted, and unimpeded access for MJM personnel at all times. It shall be installed within 10 feet of the service meter, unless MJM has been contacted and approved a Member variance request to install it elsewhere. Any variance granted does not alter the requirement that the Disconnect Switch be Readily Accessible. The Disconnect Switch shall be installed securely on a rigid operating surface such as the side of a building, wall, or Unistrut rack so that operation of the switch handle does not cause movement or flexing of the switch enclosure. Mounting height shall be such that the center-line of the switch handle is between 42 inches and 75 inches above final grade. Working space requirements are as per the NEC.
 3. The Disconnect Switch must be rated for the voltage and current requirements of the Generating Facility and must be listed and conform to all applicable UL, ANSI, and IEEE standards. The switch shall be rated to withstand the available fault current duty.
 4. The switch enclosure shall be properly grounded via an equipment ground wire attached to a factory provided grounding lug or an appropriately UL listed grounding lug or terminal. If the Disconnect Switch will be installed on a line

operating above 600V, the switch shall have provisions to allow grounding on the Utility side.

5. Electrical conductors and/or cables entering into and exiting from the Disconnect Switch enclosure shall be physically separated and shall not share a common raceway or enclosure (other than the switch enclosure itself). Under no circumstances shall the Disconnect Switch enclosure be used as conduit or raceway for any conductors other than those phase conductors being switched, the neutral (grounded conductor) and equipment ground (grounding conductor).
- I. No installation will be permitted that is expected to produce objectionable harmonics on the system. Any mitigation required to resolve harmonic problems created by a Member-owned generator will be completed and paid for by the Member.
- J. **Additions to Existing Interconnected Systems:** Any changes to a Member's existing distributed generation facility and interconnected equipment will require the Member to submit a new application for interconnection approval.
- K. Pursuant to MJM's All Power Supply Contract with Wabash Valley Power Alliance, Inc., interconnection of generating facilities with nameplate ratings greater than 25 kW shall be governed by Wabash Valley Power Alliance, Inc.'s applicable policies.

V. APPLICATION REVIEW

- A. The Cooperative shall review the application and evaluate the potential for adverse system impacts due to the installation of distributed generation. Any costs of construction of facilities on the Cooperative's system to accommodate the distributed generation facility shall be paid by the Member.
- B. The Cooperative shall make its best effort to inform the applicant, within 20 business days after receipt of the interconnection request, and verify that the distributed generation facility equipment can be interconnected safely and reliably.
- C. If the Cooperative determines that a distributed generation facility cannot be interconnected safely or reliably to its system, it shall provide a letter to the applicant explaining its reasons for denying the interconnection request. If the Cooperative approves the interconnection request, the approval will be subject to the following conditions:
 1. The distributed generation facility has been approved by local or municipal electric code officials with jurisdiction over the interconnections; and
 2. A certificate of completion has been returned to the Cooperative. Completion of local inspections may be designated on inspection forms used by local inspecting authorities; and

3. The witness test has been successfully completed or waived; and
 4. The applicant has signed a standard distributed generation interconnection agreement and provided proof of insurance or otherwise complied with the terms of the agreement. When an applicant does not sign the agreement within 30 business days after receipt from the Cooperative, the interconnection request may be deemed withdrawn unless the applicant requests to have the deadline extended. The request for extension shall not be unreasonably denied by the Cooperative.
- D. The Cooperative shall be reimbursed for all costs of interconnection, including application review, engineering review, connection, the final safety inspection, and all carrying costs, incurred by the Cooperative in connecting the Member generation facility to the distribution system. Those costs, herein after referred to as an "interconnection fee".
- E. For systems of distributed generation over 25kW the Member shall provide up to a \$5,000 deposit to cover the interconnection fees. The Member shall be responsible for all Cooperative costs of interconnection including all direct and indirect costs for the initial and future transmission, distribution, metering, permitting, service and other facilities costs necessary to allow interconnected operations with the Cooperative. To the extent that a transmission provider is involved in this decision-making process, additional deposits may be required as well as additional time to complete the proposed interconnection. After the installation is completed or the request rejected or withdrawn, any unspent amount from the deposit will be refunded. If additional cost has been incurred and not covered through initial and subsequent deposits, that balance will be due from the Member within 30 days of invoice.

VI. INSURANCE REQUIREMENTS AND INDEMNIFICATION

- A. No minimum liability limit is required in connection with the installation and operation of renewable generating facilities if the renewable generating facilities meet the safety standards listed in the applicable interconnection agreement and the contractor used to install the renewable generating facilities is licensed and possesses commercial general liability insurance coverage of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate per year. Members with installed generation facilities that do not meet these requirements must carry a liability insurance policy issued by a licensed insurance carrier with an A. M. Best rating of B+ or better that provides protection against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of the Member's ownership and/or operation of the distributed generation facility under this agreement. The limits of such policy shall be at least \$300,000 per occurrence.

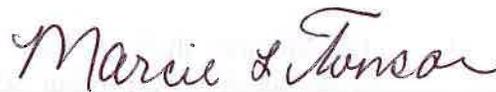
- B. Notwithstanding any other provision in this Agreement, with respect to the Cooperative's provision of electric service to Member and the services provided by the Cooperative pursuant to this Agreement, Cooperative's liability to Member shall be limited as set forth in the Cooperative's rules, bylaws, policies, contracts, and terms and conditions for electric service, which are incorporated herein by reference, and in no event shall the Cooperative be liable for loss of profit, loss of operation time, or loss of or reduction in use of any facilities or any portion thereof, increased expense of construction, operation or maintenance, or for any special, indirect, incidental, or consequential damages resulting from the construction, operation or maintenance of the Member's facility.
- C. Member shall be responsible for the safe installation, maintenance, repair and condition of lines, wires, switches, or other equipment or property on its side of the point of interconnection. The Cooperative does not assume any duty of inspecting Member's lines, wires, switches, or other equipment or property and will not be responsible therefore. Member assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the point of interconnection.

VII. MISCELLANEOUS REQUIREMENTS

- A. The Cooperative shall have free access to the Member's distributed generation facility and interconnection equipment at all times to monitor operation of the Member's equipment, Cooperative-supplied service equipment connected to such system, or to disconnect if the facility is not in compliance with the requirements of IEEE 1547 and the non-compliance adversely affects the safety or reliability of the electric system. The Cooperative shall provide reasonable notice to the Member prior to disconnection of the facility if possible.
- B. The Cooperative shall have the right to inspect and approve all plans for parallel generation systems and the interconnection systems prior to initial operation or subsequent operation following modifications.
- C. The Member shall make any necessary changes or adjustments to the additional facilities being operated in parallel to eliminate interference on the Cooperative's distribution system.
- D. The Member shall not back feed the Cooperative's system during any period of utility service interruption. When using battery storage or battery excitation of the inverter, an automatic transfer switch is required. The Member's equipment must contain a lockable disconnect switch to which the Cooperative has access and which the Cooperative can lock in an open position to disconnect, for safety reasons.
- E. Electric generation facilities may be disconnected by the Cooperative from its system whenever, in the sole opinion of the Cooperative, such action is required by an emergency, for reasons of safety or due to interference with service to other

Members. The facility shall also be subject to the Cooperative's requirements for maintaining voltage standards of output and the production of reactive power.

- F. Phase, frequency and voltage of the Member's interconnected generation shall be compatible with that provided by the Cooperative.
- G. The Members shall pay the cost of interconnection including initial and future transmission, distribution, metering, service and other facilities costs necessary to permit interconnected operations with the Cooperative.
- H. Any auxiliary or reserve power service required by the Member must be arranged in accordance with the terms of the Cooperative's applicable policies/rates as modified from time to time.
- I. **Termination:** The agreement to operate in parallel may be terminated under the following conditions:
- **By the Member:** By providing written notice to MJM.
 - **By MJM:** If the Member's distributed generation system fails to operate for any consecutive 12-month period or the Member fails to remedy a violation of these Terms and Conditions (also see Attachment B, Section 12).
- J. In the event of a dispute, either party shall provide the other Party with a written Notice of Dispute describing in detail the nature of the dispute. If the dispute has not been resolved within fourteen Business Days after receipt of the Notice, either Party may request assistance from a reputable dispute resolution service for assistance in resolving the dispute. The service will select an appropriate dispute resolution venue, (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. Each party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties utilized in the attempt to resolve the dispute. If neither party elects to seek assistance from a dispute resolution service, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this policy.



Marcie Tonsor, Secretary

ATTACHMENT A
MJM ELECTRIC COOPERATIVE
Application for Operation of
Member-Owned Generation
No Larger Than 25kW

This application should be completed and returned to the Cooperative Member Service representative to begin processing the request. See *Renewable Energy Interconnection* for additional information.

Information: *This application is used by the Cooperative to determine the required equipment configuration for the Member interface. Every effort should be made to supply as much information as possible.*

OWNER/APPLICANT INFORMATION **MJM Account Number:** _____

Name on MJM Account: _____ Map Location: _____
Mailing Address: _____
City: _____ County: _____ State: _____ Zip Code: _____
Phone Number: _____ Representative: _____
Email Address: _____

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PROJECT DESIGN/ENGINEERING (SELLER/ARCHITECT) (as applicable)

Company: _____ License/Registration Number _____
Mailing Address: _____
City: _____ County: _____ State: _____ Zip Code: _____
Phone Number: _____ Representative: _____
Email Address: _____ Fax Number: _____

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ELECTRICAL CONTRACTOR (as applicable)

Company: _____ License/Registration Number _____
Mailing Address: _____
City: _____ County: _____ State: _____ Zip Code: _____
Phone Number: _____ Representative: _____
Email Address: _____ Fax Number: _____

TYPE OF GENERATOR (as applicable)

Photovoltaic - Ground Roof Number of Panels & Wattage _____

Wind Other: _____

ESTIMATED LOAD, GENERATOR RATING AND MODE OF OPERATION INFORMATION

The following information is necessary to help properly design the Cooperative Member interconnection. This information is not intended as a commitment or contract for billing purposes.

Residential Commercial Industrial

Total Site Load _____ (kW/DC) Inverter Rating _____

(kW/AC) Mode of Operation: Isolated Paralleling Power Export

Annual Estimated Generation _____ (kWh)

BATTERY DATA (IF APPLICABLE)

Manufacturer: _____ Model: _____

Continuous Output _____ (kW) Battery Capacity _____ (kWh)

BATTERY OPERATION:

Backup Power Supplement Off-Peak Usage Both

INVERTER 1 DATA: Attached all UL & IEEE Certifications and Inverter Specifications (Required)

Microinverter(s): YES NO If YES, total number of microinverters: _____

Manufacturer: _____ Model: _____

Nominal Output Voltage (AC): _____ Output Power Factor: _____

Peak AC Output Power (watts): _____ Total Harmonic Distortion (%): _____

Continuous Output Power (watts): _____ Single Phase Three Phase

TOTAL OF ALL SYSTEM INVERTERS _____ **(kW/AC)**

INVERTER 2 DATA: *Information is the same as Inverter 1*

Manufacturer: _____ Model: _____

Nominal Output Voltage (AC): _____ Output Power Factor: _____

Peak AC Output Power (watts): _____ Total Harmonic Distortion (%): _____

Continuous Output Power (watts): _____ Single Phase Three Phase

Note: Attach all UL & IEEE Certifications and Inverter Specifications

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ADDITIONAL REQUIRED INFORMATION

Spec sheets of all Equipment of the Generation Facility Attached

One-Line Diagram of the Generation Facility Attached

MJM MEMBER/CONSUMER SIGNATURE AREA

The Member agrees to provide the Cooperative with any additional information required to complete the interconnection. The customer shall operate his equipment within the guidelines set forth by the Cooperative.

I hereby certify that, to the best of my knowledge, the information provided in this Application is true.

I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 25kW.

Applicant _____ Date _____
(MJM Member)

ELECTRIC COOPERATIVE CONTACT FOR APPLICATION SUBMISSION AND FOR MORE INFORMATION:

Cooperative Contact: Member Generation Representative

Address: 18300 Shipman Rd, PO Box 80, Carlinville, IL 62626

Phone: 217-707-6156

Fax: 217-854-3918

E-mail: solar@mjmec.coop

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ATTACHMENT B

AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION

DATE OF AGREEMENT: _____

MJM Electric Cooperative, Inc. hereinafter "Cooperative"

MJM MEMBER hereinafter "Member"

Print Member Name

This Agreement for Interconnection and Parallel Operation of Distributed Generation (hereinafter "Agreement") is made and entered the date indicated above between **MJM ELECTRIC COOPERATIVE, INC.**, (hereinafter referred to as "Cooperative"), an electric Cooperative organized under the laws of the State of **ILLINOIS** and _____, (hereinafter referred to as "Member"), a Member/Owner of the Cooperative presently receiving electric service from Cooperative, each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties".

In consideration of the mutual covenants set forth herein, and other good and valuable consideration, the sufficiency and receipt thereof is hereby acknowledged, the Parties agree as follows:

1. Scope of Agreement – This Agreement addresses the conditions under which the Cooperative and Member agree that one or more generating facilities (herein "distributed generation") owned and/or operated by Member, can be interconnected at 120/240(V) or less (collectively hereinafter sometimes referred to as the "Facilities" to the Cooperative's electric power distribution system (hereinafter sometimes referred to as the "System"). This Agreement shall not entitle the Member to electric service beyond the terms of a separate Membership agreement for service and to the Cooperative's rules, policies, regulations, by-laws and rates (hereinafter collectively "Requirements").

2. Establishment of Point of Interconnection – Cooperative and Member agree to interconnect the Facilities at the location(s) specified in Attachment A in accordance with the terms of the Cooperative's policy on Interconnection and Parallel Operation of Distributed Generation and the Institute of Electrical and Electronic Engineers (IEEE) Standards 1547, 1547.1 and UL Standard 1741. Battery energy storage systems installed must be in compliance with Battery Energy Storage Systems (BESS) Standards UL 1973, UL 9540, NFPA 855, NFPA 111, NFPA 70, and IEEE 2030.2.1.

3. Responsibilities of Cooperative and Member for Installation, Operation and Maintenance of Facilities – Member will, at Member’s cost and expense, install, operate, maintain, repair, and inspect, and shall be fully responsible for, its facilities and interconnection facilities. Member shall conduct operations of its facilities and interconnection facilities in compliance with all aspects of the Cooperative’s requirements and in accordance with industry standards and prudent engineering practice. Maintenance of facilities and interconnection facilities shall be performed in accordance with the applicable manufacturers’ recommended maintenance schedule. Member agrees to cause its facilities and interconnection facilities to be constructed in accordance with Section III, Policy 34 - Interconnection and Parallel Operation of Distributed Generation. The Cooperative shall have the right to inspect and require changes prior to energizing. Phase, frequency and voltage of the Member’s interconnected generation shall be compatible with that provided by the Cooperative.

Member will be required to pay an Interconnection Fee, *as explained in Section III, Policy 34 – Interconnection and Parallel Operation of Distributed Generation, Section V, Application Review*, prior to connection of distributed generation facilities.

Member shall install a lockable disconnect switch so that Cooperative employees can quickly and safely disconnect the generator from the distribution grid when needed. Member shall pay the entire cost for the installation of this lockable disconnect switch.

Member shall comply with all applicable Federal, State and local laws, regulations, zoning codes, building codes, safety rules and environmental restrictions applicable to the design, installation, operation and maintenance of its facilities and interconnection facilities.

The Cooperative will notify Member if there is evidence that the facilities’ or interconnection facilities’ operation causes disturbance, disruption or deterioration of service to other Members served from the System or if the facilities’ or interconnection facilities’ operation causes damage to the System. If this condition persists, the Cooperative shall have the right to disconnect Member from the System. Member will notify the Cooperative of any emergency or hazardous condition or occurrence with Member’s facilities or interconnection facilities which could affect safe operation of the System.

4. Operator in Charge – Member shall provide a phone number and address of an individual contact person with knowledge of this agreement, familiar with the installation, maintenance and operation of the interconnection facilities and with the authority to disconnect the facility from the system in the event the Cooperative requires doing so.

5. Power Sales to Cooperative - Interconnection of the Facilities with the System does not grant Member the right to export power nor does it constitute an agreement by the Cooperative to purchase or wheel power. Purchase of excess facility capacity is governed by the Cooperative’s Policies in Section III –Policy 36: Member-Owned Generation Billing.

6. Limitation of Liability and Indemnification

- a. Notwithstanding any other provision in this Agreement, with respect to the Cooperative's provision of electric service to Member and the services provided by the Cooperative pursuant to this Agreement, Cooperative's liability to Member shall be limited as set forth in the Cooperative's rules, bylaws, policies, contracts, and terms and conditions for electric service, which are incorporated herein by reference, and in no event shall the Cooperative be liable for loss of profit, loss of operation time, or loss of or reduction in use of any facilities or any portion thereof, increased expense of construction, operation or maintenance, or for any special, indirect, incidental, or consequential damages resulting from the construction, operation or maintenance of the Member's facility.
- b. Member shall be responsible for the safe installation, maintenance, repair and condition of lines, wires, switches, or other equipment or property on its side of the point of interconnection. The Cooperative does not assume any duty of inspecting Member's lines, wires, switches, or other equipment or property and will not be responsible therefore. Member assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the point of interconnection.

7. Testing and Testing Records – Member shall perform or cause to be performed such tests as the Cooperative may reasonably require and shall provide to the Cooperative all records of testing. Testing of protection systems shall comply with existing industry standards and practices. These records shall include testing at the start of operation and periodic testing thereafter. Factory testing of pre-packaged interconnection facilities and the protective systems of small units shall be acceptable in the absence of reasonable grounds for additional testing. In the case of a factory test, Member shall provide a written description and certification by the factory of the test, the test results, and the qualification of any independent testing laboratory. In addition, Member shall obtain approval by the Cooperative of the settings of the equipment being installed prior to operation.

8. Right of Access, Equipment Installation, Removal & Inspection – The Cooperative shall have free access to the Member's distributed generation facility and interconnection equipment at all times to monitor operation of the Member's equipment, Cooperative-supplied service equipment connected to such system, or to disconnect for good cause, without prior notice to the Member, Member's equipment from the Cooperative's distribution system.

The Cooperative shall also have access to Member's premises and to operational records for any reasonable purpose in connection with the interconnection described in this Agreement, the Requirements, or to provide service to its Members.

9. Disconnection of Facilities – Member retains the option to disconnect its facilities from the System, provided that Member notifies the Cooperative of the Member's intent to disconnect by giving the Cooperative at least thirty (30) days' prior written notice. Such disconnection shall not be a termination of this Agreement unless Member exercises rights under Section 12 that do not lead to a resolution of the issue.

Member shall disconnect Facilities from the System upon the effective date of any termination resulting from and required by actions under Section 12.

The Cooperative may disconnect the electric generation facilities from its system whenever, in the sole opinion of the Cooperative, such action is required by an emergency, for reasons of safety or due to interference with service to other Members. The facility shall also be subject to the Cooperative's requirements for maintaining voltage standards of output and the production of reactive power.

The Cooperative may also disconnect if Member does not comply with Policy 34: Interconnection and Parallel Operation of Distributed Generation, Policy 36: Member-Owned Generation Billing. In such an event, the Member will be responsible for a disconnect fee. If permitted, reconnection will only be available during normal business hours and will be subject to a reconnect fee.

10. Metering – The Cooperative shall be reimbursed for all costs of interconnection, including all carrying and metering costs, incurred by the Cooperative in connecting the Member generation facility to the distribution system. Metering shall meet accuracy standards required for equivalent electrical services and can be accomplished with standard meters or any devices that meet data collection and accuracy requirements.

11. Insurance – No minimum liability limit is required in connection with the installation and operation of renewable generating facilities if the renewable generating facilities meet the safety standards listed in the applicable interconnection agreement and the contractor used to install the renewable generating facilities is licensed and possesses commercial general liability insurance coverage of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate per year. Members with installed generation facilities that do not meet these requirements must carry a liability insurance policy issued by a licensed insurance carrier with an A. M. Best rating of B+ or better that provides protection against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of the Member's ownership and/or operation of the distributed generation facility under this agreement. The limits of such policy shall be at least \$300,000 per occurrence.

Notwithstanding any other provision in this Agreement, with respect to the Cooperative's provision of electric service to Member and the services provided by the Cooperative pursuant to this Agreement, Cooperative's liability to Member shall be limited as set forth in the Cooperative's rules, bylaws, policies, contracts, and terms and conditions for electric service, which are incorporated herein by reference, and in no event shall the Cooperative be liable for loss of profit, loss of operation time, or loss of or reduction in use of any facilities or any portion thereof, increased expense of construction, operation or maintenance, or for any special, indirect, incidental, or consequential damages resulting from the construction, operation or maintenance of the Member's facility.

Member shall be responsible for the safe installation, maintenance, repair and condition of lines, wires, switches, or other equipment or property on its side of the point of interconnection. The Cooperative does not assume any duty of inspecting Member's lines, wires, switches, or other

equipment or property and will not be responsible therefore. Member assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the point of interconnection.

12. Effective Term and Termination Rights – This Agreement becomes effective when executed by both Parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Member may terminate this Agreement at any time by giving the Cooperative at least sixty (60) days' written notice; (b) Cooperative may terminate this Agreement at any time by giving the Member at least sixty (60) days' written notice. (c) Cooperative may terminate upon failure by Member to generate energy from the Facilities within six (6) months after completion of the interconnection; (d) either Party may terminate by giving the other Party at least thirty (30) days prior written notice that the other Party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, regulation, contract, or policy of the Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (e) Cooperative may terminate by giving Member at least sixty (60) days notice in the event that there is a material change in an applicable law, or any change in policy or procedure pertaining to distributed generation by the Cooperative's wholesale electric supplier or requirement of any transmission utility, independent system operator or regional transmission organization having responsibility for the operation of any part of the System; (f) Cooperative may terminate this Agreement immediately if Member is not in compliance with the insurance requirement outlined in Section Eleven (11) herein. (g) Cooperative may terminate this Agreement upon three (3) business day notice in the event Member ceases to receive electric service from Cooperative or is in default of terms or conditions for electric service; in the event that a Party (i) makes a general assignment or arrangement for the benefit of creditors; (ii) commences an action or proceeding under any bankruptcy, insolvency or similar law for the protection of debtors or creditors, or has commenced against it any such action or proceeding which is not withdrawn or dismissed within thirty (30) days; (iii) otherwise is adjudicated a debtor in bankruptcy or insolvent; (iv) is unable (or admits in writing its inability) generally to pay its debts as they become due; (v) is dissolved or has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, acquisition or merger); (vi) seeks or becomes subject to the appointment of an administrator, assignee, conservator, receiver, trustee or similar official for substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has all, or has substantially all of its assets become subject to an attachment, execution, levy, sequestration or other legal process which is not dismissed discharged, stayed or restrained within thirty (30) days; (viii) causes or is subject to any event that has an effect analogous to any of the events enumerated in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicates its consent to, approval of, or acquiescence in any of the foregoing acts or events; then, in such event, this Agreement shall terminate automatically without notice and without any other action by either Party.

13. Compliance with Laws, Rules and Regulations– Member shall be responsible for complying with all federal, state and local laws. In the event Member's facilities, interconnection or disposition of electricity generated by the distributed generation are, or become, subject to Federal, State or local regulation, Member is, and shall be, responsible for regulatory compliance. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the Rules and the Cooperative's policies governing

interconnection of distributed generation. The Cooperative reserves the right to change its Rules and policies at any time.

14. Severability – If any portion or provision of this Agreement is held or adjudged for any reason to be invalid or illegal or unenforceable by any court of competent jurisdiction, such portion shall be deemed separate and independent, and the remainder of this Agreement, shall remain in full force and effect.

15. Amendment – Except as outlined herein, this Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties.

16. Entirety of Agreement – This Agreement, including the requirements contained in the attached Exhibits and Facilities Schedules, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Points of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein or in Member's application, or other written information provided by the Member in compliance with these requirements.

17. Assignment – This Agreement may be assigned to a party receiving electric service from the Cooperative at the site of the Facilities only upon the express written consent of the Cooperative. The assignee will be responsible for the proper operation and maintenance of the Facilities and must agree in writing to be subject to all provisions of this Agreement. Cooperative may assign the Agreement to another entity with the written approval of Member. Required consents shall not be withheld unreasonably.

18. Notices – Notices given under this Agreement are deemed to have been duly delivered once mailed by United States mail to: The above-listed names, titles, and addresses of either Party may be changed by written notification to the other.

19. Invoicing and Payment – Invoicing and payment terms for services associated with this Agreement shall be consistent with applicable Cooperative policies.

20. No PURPA Interconnection – The parties agree that the Member's facility is not a qualifying small power production facility or qualifying cogeneration facility as defined in the Public Utility Regulatory Policies Act of 1978 and that nothing herein confers any rights or obligations on either party by application of that Act.

21. No Third-Party Beneficiaries – This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties.

