INTERCONNECTION AGREEMENT FOR DISTRIBUTED GENERATION LESS THAN 500 kW(SC)

(Modified for Cooperatives)

This INTERCONNECTION AGREEMENT FOR DISTRIBUTED GENERATION LESS THAN 500 kW, (the "Agreement"), is entered into as of _____, 20__, (the "Effective Date"), by and between _____, hereinafter called "Customer", and _____ Electnc Cooperative, Inc., hereinafter called "Company". Customer and Company are hereinafter collectively referred to as the "Parties" or "Party". In consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. **SCOPE OF AGREEMENT:**
   (a) This Agreement relates solely to the conditions under which Company and Customer agree that Customer's generation system and equipment, hereinafter the "Generator", and located at or near *(address)* _____ may be interconnected to and operated in parallel with Company's electric system. This Agreement does not authorize Customer to export power or constitute an agreement to purchase or wheel Customer's power. Other services that Customer may require from Company shall be covered under separate agreements.
   (b) Company will supply the electrical requirements of Customer that are not supplied by Customer's Generator. Such electric service shall be supplied to Customer under Company's rates schedules, riders, and services regulations applicable to Customer's class of service.
2. **INTERCONNECTION:**
   (a) Company hereby authorizes Customer to interconnect and commence operation under the terms of this Agreement on or after *(date)* subject to Customer having received Company's written acceptance specified in 2. (f) below.
   (b) Customer's Generator must be manufactured, installed and operated in accordance with governmental and industry standards and must conform with Company's "Standard for Interconnecting Distributed Generation 500 kW or less with Electric Power Systems (EPS)", hereinafter referred to as "Interconnection Standard", a copy being attached hereto and made a part of this Agreement.
   (c) Customer's Generator shall be installed as described in Customer's Application To Interconnect Distributed Generation 500 KW or Less, a copy attached hereto and made a part hereof.
   (d) The nameplate output of the Generator is ____ kW in the form of _____ phase, _____ wires, alternating current of 60 hertz frequency and at _____ volts.
   (e) The point of interconnection between Customer and Company hereunder will be _____ _____.
   (f) Customer shall not interconnect Customer's Generator with Company's electric system nor commence parallel operation of Customer's Generator until both Parties have accepted this Agreement and the requirements for interconnection stated in the Interconnection Standard have been met. Company shall have the right and opportunity to have representatives present at the initial testing of Customer's protective apparatus. Customer shall notify Company _____ business days prior to the initial testing. In the event Customer has interconnected Customer's Generator without Company's acceptance of this Agreement or the Generator has not met the requirements of the Interconnection Standard, Company shall have the right to immediately isolate Customer's premises and/or Generator from Company's system until Company's acceptance is granted and the

requirements of the Interconnection Standard have been met.

(g) Customer shall not make any changes to the Generator output capacity and/or modification to the protection system required to meet the Interconnection Standard without first submitting a new Application To Interconnect Distributed Generation 500 KW or Less and obtaining a new acceptance from Company before making the changes to the Generator.

(h) **Isolation Device:** Customer shall install a manual load-break disconnect switch with a clear visible indication of switch position between Company's electric system and Customer's Generator. The Isolation Device shall be installed as specified in the Interconnection Standard.

(i) **Warning Label:** Customer will install a permanent warning label in a conspicuous place in close proximity to the electric meter or on the meter base to notify Company personnel that there is a generator installed on the load side of the meter. The warning label shall not be placed in a location that would interfere with the ability of Company personnel to read the electric meter. Customer shall also place a warning label on the Isolation Device. Company will provide the warning labels to Customer. The warning labels must be in place before the Generator can be interconnected with Company's system.

3. **INTERCONNECTION COST:** The cost to Customer for all Company owned and maintained facilities constructed and/or installed by Company to accommodate the interconnection and safe operation of Customer's Generator in parallel with Company's electric system shall be determined in accordance with Company's applicable Service Regulations and/or Terms and Conditions For the Purchase of Electric Power. The cost to Customer, termination provisions, and other applicable terms and conditions related to facilities installed by Company are as stated in Exhibit ___, hereto attached and made a part hereof.

4. **RIGHT OF ACCESS AND EQUIPMENT INSTALLATION:**

(a) **Access To Premises:** The duly authorized agents of Company shall have the right of ingress and egress to the premises of Customer at all reasonable hours, over the same general route as Customer utilizes, for the purpose of reading meters, inspecting Company's wiring and apparatus, changing, exchanging, or repairing its property on the premises of Customer and to remove such property at the time of or at any time after the suspension of interconnection of the Generator or termination of this Agreement. Company shall have access to Customer's Isolation Device at all times.

(b) Company's obligation to provide the interconnection as covered in this Agreement on the agreed upon Effective Date is contingent upon Company receiving the rights-of-way and receiving the necessary equipment in sufficient time to install it on or before that date.

5. **MAINTENANCE OF INTERCONNECTION FACILITIES:** Customer shall maintain Customer's Generator and all related Customer-owned protective equipment and facilities in a safe and prudent manner, conforming to all applicable laws and regulations. Customer shall reimburse Company for any and all losses, damages, claims, penalties or liability Company incurs as a result of Customer's failure to maintain the Generator, equipment, and facilities in a safe and prudent manner or failure to obtain and/or maintain any governmental authorizations or permits required for construction and operation of Customer's facility.

6. **DISCONNECTION OF GENERATOR:** Company may isolate Customer's premises and/or Generator from Company's system when necessary in order to construct, install, repair, replace, remove, investigate, or inspect any of Company's equipment or part of Company's system; or if Company determines that isolation of Customer's premises and/or Generator from Company's system is necessary because of emergencies, forced outages, Force Majeure or compliance with prudent electrical practices. Whenever feasible, Company shall give Customer reasonable notice of the

possible isolation of Customer's premises and/or Generator from Company's system. Notwithstanding any other provision of this Agreement, if at any time Company determines that either the Generator may endanger Company's personnel or other persons or property, or the continued operation of Customer's Generator may endanger the integrity or safety of Company's electric system, Company shall have the right to isolate Customer's premises and/or Generator from Company's system. **It is agreed that Company shall have no liability for any loss of sales or other damages, including all punitive and consequential damages for the loss of business opportunity, profits, or other losses, regardless of whether such damages were foreseeable, for the isolation of Customer's premises and/or Generator from Company's system per this Agreement.** Company shall expend reasonable effort to reconnect the Customer's premises and/or Generator with the Company's system in a timely manner.

7. **PERMITS AND APPROVALS:** Customer shall obtain all environmental and other permits required by governmental authorities prior to construction, installation, and interconnection of the Generator. Customer shall also maintain these applicable permits and compliance with these permits during the term of this Agreement.

8. **INDEMNITY AND LIABILITY:**
   (a) **Limitation of Liability:** Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission hereunder, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, special, incidental, consequential, or punitive damages of any kind.
   (b) **Indemnification:** The parties shall at all times indemnify, defend and save the other party harmless from any and all damages, losses, claims, including claims and actions relating to injury or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney's fees, and all other obligations by or to third parties, arising out of or resulting from the other party's action or inaction of its obligations hereunder on behalf of the indemnifying party, except in cases of gross negligence or intentional wrongdoing by the indemnified party.
   (c) The provisions of Section 8.(a) shall not be construed to relieve any insurer of its obligations to pay any claims in accordance with the provision of any valid insurance policy.
   (d) If Customer at any time fails to comply with the insurance provisions of this Agreement, Customer shall, at its own cost, defend, save harmless and indemnify Company, its directors, officers, employees, agents, assignees, and successors in interest from and against any and all loss, liability, damage, claim, cost, charge, demand, or expense of any kind or nature (including attorney's fees and other costs of litigation) resulting from the death or injury to any person or damage to any property, including the personnel and property of Company, its contractors, its customers, and/or the public to the extent that Company would have been protected had Customer complied with all such insurance provisions. The inclusion of this Section 8.(d) is not intended to create any express or implied right in Customer to elect not to provide any such required insurance.
   (e) Customer shall be responsible for installing and maintaining devices adequate to protect against damages caused by irregularities or outages on Company's system, regardless of the cause or fault, including devices to protect against voltage fluctuations and single phasing.

9. **INSURANCE:**
   (a) Customer shall obtain and retain, for as long as its Generator is interconnected with the Company's system, liability insurance which protects Customer from claims for bodily injury and/or property damage. For a non-residential Customer the minimum coverage shall be comprehensive general liability insurance with coverage at least $300,000 per occurrence and for a residential Customer

the minimum coverage shall be at a standard homeowner's insurance policy with liability coverage in the amount of at least $100,000 per occurrence. Prior to interconnection of the Generator with Company's system, Customer shall furnish a properly executed certificate of insurance to Company clearly evidencing the required coverage and any exclusions applicable to such coverage. The certificate shall provide that the insurance coverage shall not be canceled or modified unless and until Company receives at least thirty (30) days prior written notice. Customer shall further replace such certificates for policies expiring during the period its Generator is interconnected with Company's system. Company has the right to refuse to establish or continue the interconnection of Customer's generation facility to Company's system if such insurance is not in effect.

(b) Insurance on the premises where the Customer's Generator is located shall, by endorsement to the policy or policies, provide for thirty (30) days of written notice to Company prior to cancellation, termination, alteration, or material change of such insurance.

10. **FORCE MAJEURE:** For purposes of this Agreement, Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, terrorism, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other caused beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

11. **NON-WARRANTY:** Company's approvals given pursuant to this Agreement or actions taken hereunder shall not be construed as any warranty or representation to Customer or any third party regarding the safety, durability, reliability, performance or fitness of Customer's generation and service facilities, its control or protective devices or the design, construction, installation or operation thereof.

12. **EFFECTIVE TERM AND TERMINATION RIGHTS:** This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. The Agreement may be terminated in accordance with the following:

(a) If Customer desires to terminate the Agreement, Company will agree to such termination if Company is satisfied that Customer no longer can operate Customer's Generator in parallel with Company's system at the premises and all bills for services previously rendered to Customer, plus any applicable termination charges as specified in Exhibit ____, have been paid. Company may waive the termination charges if Company has secured or expects to secure from a new occupant or operator of the premises an Agreement satisfactory to Company for the interconnection to Company for a term not less than the unexpired portion of Customer's Agreement.

(b) Company, in addition to all other legal remedies, may either terminate the Agreement or suspend interconnection with Customer (I) for any default or breach of Agreement by Customer, (2) for failure to pay any applicable bills when due and payable, (3) for a condition on Customer's side of the point of interconnection actually known by Company to be, or which Company reasonably anticipates may be, dangerous to life or property, (4) if Customer either fails to energize the Generator within 12 months of the Effective Date of this Agreement or permanently abandons the Generator, or (5) by giving the Customer at least sixty days notice in the event that there is a material change in an applicable rule or statue concerning interconnection and parallel operation of the Generator, unless the Customer's installation is exempted from the change or the Customer complies with the change in a timely manner. No such termination or suspension, however, will be made by Company without written notice delivered to Customer, personally or by mail, stating what in particular in the Agreement has been violated, except that no notice need to be given in instances set forth in 12.(b)(3) above. Failure to operate the Generator for any consecutive 12 month period after the Effective Date shall constitute permanent abandonment unless otherwise agreed to in writing between the Parties.

13. **GENERAL:**
    (a) This Agreement and the applicable Schedule, Riders, Interconnection Standard, Service Regulations, and Terms and Conditions For the Purchase of Electric Power hereto attached are subject to changes or substitutions, either in whole or in part, made from time to time by the Board of Trustees of the Cooperative. Unless specified otherwise, any such changes or substitutions shall become effective immediately and shall nullify all prior provisions in conflict therewith.
    (b) **Headings:** The descriptive headings of the various sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.
14. **ENTIRE AGREEMENT**: This Agreement and the documents attached hereto constitute the entire Agreement between the Parties relating to the subject matter hereof, there being no other agreements or understandings, written or oral, other than those contained in this Agreement and the attachments hereto. This Agreement does not modify, change or impact any other agreement between the Parties relating to the supply of electric service, or the sale of, or purchase of, electric power.
15. **AMENDMENTS**: The Parties may amend this Agreement but such amendment may only be effective and enforceable if it is set forth in a written instrument signed by both Parties.
16. **ASSIGNMENT:** Customer shall not assign its rights nor delegate its duties under this Agreement without Company's written consent. Any assignment or delegation Customer makes without Company's written consent shall not be valid. Company shall not unreasonably withhold its consent to Customer's assignment of this Agreement. An assignee or new customer must submit a new Application To Interconnect Distributed Generation 500 KW or Less to Company and obtain Company's written approval before any assignment shall occur. Customer assumes the responsibility of ensuring a new customer or assignee is aware the new customer or assignee must re-apply and obtain Company's written acceptance or the equipment must be removed or disabled to prevent future interconnection and/or operation.
17. **THIRD PARTIES**: This Agreement is intended solely for the benefit of the parties hereto. Nothing in this Agreement shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a party of this Agreement.
18. **GOVERNING LAW**: This Agreement shall be governed under laws of the State of South Carolina.
19. **SEVERABILITY**: If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such portion or provision shall be deemed separate and independent, and the remainder of this Agreement shall remain in full force and effect.
20. **WAIVER:** No delay or omission in the exercise of any right under this Agreement shall impair any such right or shall be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. In the event that any agreement or covenant herein shall be breached and thereafter waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waiver any other breach hereunder.
21. **CUSTOMER CERTIFICATION:** By signing this Agreement below, Customer hereby certifies that, to the best of Customer's knowledge, all of the information provided in the Application To Interconnect Distributed Generation 500 kW or Less is true and correct, the Generator will comply with the Interconnection Standard, and that Customer has received and reviewed this Agreement.
22. **ACCEPTANCE AND SIGNATURES**: Upon the acceptance hereof by Company, evidenced by the signature of its authorized representative appearing below, this document shall be an Agreement for the interconnection of Customer's Generator to Company's system.

Witness as to Customer

_____ _____Customer
_____ By _____Title_____
This _____day of_____20__

Accepted: _____Electric Cooperative, Inc.

Address of Customer

By:_____ Name:_____
Title_____ _____
This _____day of_____20__ Address:_____
_____

EXHIBITS AND ATTACHMENTS

1. Application to Interconnect Distributed Generation 500 kW or Less (SC)
2. Interconnection Standards
3. Service Regulation or Terms and Conditions
4. Exhibit when interconnection cost are involved
5. Other exhibits when needed