

Interconnection Agreement for Distributed Generation > 25 kW

This Interconnection Agreement for Distributed Generation (“Agreement”) is made and entered into as of _____, _____ (“Effective Date”) by and between Warren County Rural Electric Membership Corporation (“Cooperative”) and [insert entity name], an Indiana [insert entity type] (“DG Owner”). Cooperative and DG Owner are hereinafter sometimes referred to individually as a “Party” or collectively as the “Parties”.

Whereas DG Owner is installing, or has installed, generation equipment, controls, and protective relays and other related equipment with a nameplate generating capacity of greater than 25 kW (alternating current) (the “Generation Facilities”) located at [insert address] within the Cooperative’s electric service territory and more particularly described in **Appendix A**, attached hereto and incorporated herein.

Whereas Cooperative agrees to modify, configure, and extend electric distribution facilities as needed and to allow DG Owner to interconnect the Generation Facilities with Cooperative’s electric distribution system (“Distribution System”) according to the terms and conditions set forth herein.

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. **Term.** The initial term of this Agreement (the “Initial Term”) shall be five (5) years and shall automatically renew for successive one (1) year periods (each a “Renewal Term”) (the Initial Term and each Renewal Term hereinafter collectively referred to as the “Term”).
2. **Default and Termination.** Notwithstanding anything to the contrary herein, (i) DG Owner may terminate this Agreement for convenience at any time by providing one hundred eighty (180) days’ written notice to Cooperative; and (ii) Cooperative may terminate this Agreement upon thirty (30) days written notice to DG Owner upon a material default of this Agreement by DG Owner. Upon termination under this Section or expiration and nonrenewal of the Term, DG Owner shall, no later than the date of termination of the Agreement, completely disconnect DG Owner’s system from parallel operation with the Cooperative’s electric distribution system. A representative of the Cooperative may be present to witness the disconnection of the DG Owner’s system or thereafter have the right to examine the DG Owner’s system so as to verify that it has been physically disconnected from the Cooperative’s electric distribution system. For purposes of this Section, material default shall include, but is not limited to, DG Owner’s failure to pay the cost of Interconnection Work under Section 3, failure to comply with any technical, operational, compliance or safety requirement set forth in this Agreement, and failure to furnish insurance required under Section 17.
3. **Modifications and Extensions to Distribution System.** DG Owner shall submit for the Cooperative’s review detailed electric diagrams, equipment nameplate data, including the interface device and control system of the Generation Facilities. Cooperative, in its sole discretion, shall determine the specific type of metering required and any modifications, rearrangements, or additions to the Distribution System necessary for the interconnection of the Generation Facilities to the Distribution System (“Interconnection Work”). Interconnection Work shall also include costs associated with right-of-way clearing, rock digging and/or trenching, and any unforeseen costs such as special material used for backfilling, drilling under roads, driveways and sidewalks.
 - a. DG Owner shall pay 100% of the cost of the Interconnection Work. Prior to performing the Interconnection Work, DG Owner shall pay the estimated cost of the Interconnection Work as determined by the Cooperative. Upon completion of construction, the Cooperative shall calculate the difference between the estimated cost of the Interconnection Work and the actual cost. If the

actual cost exceeds the estimated cost paid by DG Owner, DG Owner shall pay the difference. If the estimated cost paid by DG Owner exceeds the actual cost, the Cooperation shall refund the difference.

- b. All payments by DG Owner pursuant to this Agreement are made as Contributions in Aid of Construction, and such payments do not vest or convey to DG Owner any ownership right, title or interest in the electric distribution facilities to be constructed. Such ownership rights, title and interest in the electric distribution facilities constructed shall at all times be vested solely in the Cooperative.

4. Technical, Safety, and Compliance Requirements.

- a. DG Owner shall apply for and obtain all federal, state, and local permits and all inspections and approvals necessary to install and operate its system. DG Owner shall supply the Cooperative with certification that the DG Owner's system has received all necessary permits and approvals and that it meets, or exceeds, all applicable safety and performance standards.
- b. The Generation Facilities shall, at all times, comply with and be operated and maintained in accordance with the following:
 - i. National Electric Safety Codes;
 - ii. National Electric Codes;
 - iii. IEEE 1547 Standards;
 - iv. Underwriters Laboratory (UL) 1741 Standards;
 - v. Applicable manufacturer's recommended maintenance schedule; and
 - vi. Standard prudent engineering practices.

The Cooperative, in its sole discretion, may require additional safety features at the sole cost of the DG Owner.

- c. DG Owner, at its sole cost and expense, shall install and maintain a disconnecting device located at or near the point of interconnection. This disconnecting device must be accessible to all Cooperative personnel at all times and be suitable for use by the Cooperative as a protective tagging location. Such disconnecting device shall have a visible open gap when in the open position and be capable of being locked in the open position.
- d. DG Owner's control and protection system and site plan must be acceptable to the Cooperative and in accordance with these safety and reliability standards. This system shall provide for immediate automatic shutdown or separation of the Generation Facilities and Distribution System in the event of momentary or extended loss of power from the Cooperative, including loss of one or more phases if the DG Owner is generating three-phase power. The shutdown or separation must continue until normal utility service is restored. The shutdown or separation shall occur when frequency, voltage, and/or current deviate from normal utility standards. The DG Owner shall be liable if the DG Owner's protection system fails to function.
- e. The DG Owner shall conduct compliance testing at the time of installation and maintenance testing of the interconnection system for compliance with the terms and conditions herein. DG Owner shall notify Cooperative in advance of such testing and the Cooperative has the right to have a representative present during such testing.

- 5. Operation and Maintenance.** DG Owner shall ensure, at all times, that the Generation Facilities operate at a frequency of 60 Hertz. DG Owner is responsible for establishing a program for and performing annual periodic scheduled maintenance on the Generation Facilities (including but not limited to relays, interrupting

devices, control schemes and batteries that involve the protection of the Distribution System). Such program must be established in accordance with the requirements of IEEE 1547. The Cooperative may, upon request, examine copies of the periodic test reports or inspection logs associated with such program. The Cooperative shall, upon request, be informed of the next scheduled maintenance and be permitted to have a representative witness the maintenance performed and any associated testing.

6. **Suspension of Interconnection.** DG Owner shall cease parallel operation of its DG system immediately upon notification by the Cooperative if such operation is deemed unsafe or interferes with the supply of service to others, or interferes with system operation or maintenance. Should the parallel operation of the Generation Facilities cause interference or adversely affect voltage, frequency, harmonic content or power factor in the Distribution System, the Cooperative may require disconnection of parallel operation until the condition has been corrected. If the Cooperative, in its sole discretion, has reason to believe that continued interconnection of the Generation Facilities creates or contributes to a system emergency, the Cooperative may isolate the DG Owner's system or any part thereof. DG Owner shall permit the Cooperative's employees and inspectors access in all emergency situations to inspect, test, and examine DG Owner's interconnected system to determine if such system is adversely affecting safety, power quality, or reliability of the Cooperative's electric distribution system.
7. **Point of Interconnection.** The "point of interconnection" shall mean the point at which the Generation Facilities connect to the Cooperative's electric distribution system, all as set forth in detail in Appendix A, attached hereto and incorporated herein.
8. **Future Modifications to Generation Facilities.** DG Owner shall notify the Cooperative no less than thirty (30) days prior to making any revisions to the Generation Facilities or interface between the Generation Facilities and the Distribution System after the installation. Any such revision must be approved by Cooperative. The DG Owner is responsible for the cost of any and all additions or alterations due to safety or adverse effects on the Distribution System caused by the connection and/or operation of the Generation Facilities.
9. **Right of Access.** In addition to other rights of access provided in this Agreement, DG Owner shall grant the Cooperative the right to access the premises at all times for the purposes of: reading meters; testing, repairing, removing, maintaining, or exchanging any or all equipment and facilities which are the property of the Cooperative; maintaining its rights-of-way; and addressing any other business that may arise between the Cooperative and DG Owner.
10. **Membership and Electricity Usage by Generation Facilities.** If DG Owner is not already a member of the Cooperative, DG Owner shall apply for and become a member of Cooperative. Any electric energy consumed by the Generation Facilities shall be metered and shall be purchased and consumed by DG Owner subject to the Cooperative's applicable rate schedule, service rules and regulations, and bylaws.
11. **No Purchase by Cooperative.** DG Owner acknowledges and agrees that Cooperative will not purchase any electric energy or capacity generated by the Generation Facilities.
12. **Cooperative's Limited Liability.** With respect to the interconnection of the Generation Facilities and any services or actions undertaken by the Cooperative pursuant to this Agreement, the Cooperative's liability shall be limited to claims, losses, costs and expenses that result from the Cooperative's gross negligence or other willful misconduct, shown by clear and convincing evidence, in connection with the operation and

maintenance of its electric distribution system. Notwithstanding the foregoing, Cooperative shall not under any circumstances be liable for any indirect, incidental, consequential, special or punitive damages whether arising in contract, tort regardless of cause (including negligence and strict product liability), breach of statutory duty or otherwise, for any loss of profit or revenue, anticipated savings or business, or for loss or damage to goodwill or reputation, or for loss of operation or increased production costs to DG Owner (and irrespective of whether Parties have been advised of or otherwise might have anticipated the possibility of any such loss or damage) in connection with this Agreement. Notwithstanding anything to the contrary in this Agreement, DG Owner is responsible for protecting its equipment from transient high voltage spikes caused by lightning and/or transient low voltage conditions caused by faults or short circuits, and from any other causes or events. Cooperative shall not under any circumstances be liable for damage to DG Owner's equipment allegedly caused by transient high voltage spikes caused by lightning and/or transient low voltage conditions caused by faults or short circuits or other causes or events.

13. **DG Owner's Liability and Indemnification.** Notwithstanding any other provision to the contrary, and to the extent permitted by law, DG Owner shall fully indemnify, hold harmless and defend Cooperative any of its officers, directors, employees, agents, members, joint venturers and affiliates from and against any and all damages, costs, losses and expenses (including all fines and penalties as well as attorneys' fees) directly or indirectly arising out of any of the following: (i) the actual or alleged failure of DG Owner to comply with applicable law, applicable codes and standards, or the technical and safety requirements under this Agreement; (ii) damage to or destruction of property of DG Owner, Cooperative, or any third party to the extent that such property damage or destruction is caused by the presence of the Generation Facilities or the interconnection of such Generation Facilities to Cooperative's Distribution System or the negligence, gross negligence or willful misconduct of DG Owner; and (iii) personal or bodily injury to, illness, or death of any employee, officer or director of DG Owner or any third party to the extent that such bodily injury, illness, or death is caused by the presence of the Generation Facilities or the interconnection of such Generation Facilities to Cooperative's Distribution System or the negligence, gross negligence or willful misconduct of DG Owner.
14. **Insurance.** The DG Owner shall procure at its sole cost and expense and maintain in effect while interconnected with the Distribution System Comprehensive General Liability Insurance insuring DG Owner's indemnification obligations and bodily injury, death, and property damage with a combined single limit for bodily injury and property damage of not less than \$1,000,000.00 per occurrence. Such policy placed with a reputable insurance company authorized to do business in the State of Indiana and approved by the Cooperative. Prior to interconnection with the Distribution System and annually thereafter, DG Owner shall furnish properly executed certificates of insurance and endorsements naming the Cooperative as an additional insured under such policy.
15. **Litigation Costs.** If either Party shall bring litigation to enforce this Agreement, the prevailing Party shall be entitled to recover attorneys' fees and litigation costs from the other Party.
16. **Assignment.** Except as specifically authorized in this Section, DG Owner may not assign this Agreement without written consent by Cooperative, which may be withheld in Cooperative's sole discretion. DG Owner may assign or collaterally assign this Agreement without prior written consent from Cooperative to: (i) any entity DG Owner directly controls, is controlled by or is under common control with; or (ii) a lessor or lender for purposes of leasing or financing the Generation Facilities; however, DG Owner shall notify the Corporation of any such assignment thirty (30) days prior to the effective date thereof. Notwithstanding the

foregoing, it is the intent of the Parties hereto that this Agreement shall be binding on each Party's heirs, assigns, and successors in interest.

- 17. **Severability.** If any portion of this Agreement is held or adjudged to be invalid, illegal, or unenforceable by any court or public authority of competent jurisdiction, such decision shall not affect the validity of the remainder of the Agreement, the remainder of which shall remain in full force and effect as if this Agreement had been executed without the invalid or unenforceable portion.

- 18. **Applicable Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws, rules, and regulations of the State of Indiana and in a court of competent jurisdiction in Warren County, Indiana, State of Indiana.

- 19. **Complete Agreement.** All previous communications or agreements between the Parties, whether verbal or written, with reference to the subject matter of this Agreement are hereby abrogated. No amendment or modification to this Agreement shall be binding unless it shall be set forth in writing and duly executed by both Parties to this Agreement.

**Warren County Rural Electric
Membership Corporation**

[DG Owner]

Signature

Signature

Print Name, Title

Printed Name, Title

Date

Date

Appendix A

DG Owner Name	
Cooperative Member Account Number	
Location of Generation Facility	
Type of Generation Facility (e.g. solar, solar + battery)	
Capacity	
Description of Point of Interconnection	
Expected In-Service Date	