

## Southern Indiana Power

### DISTRIBUTION COOPERATIVE AGREEMENT FOR INTERCONNECTION OF DISTRIBUTED GENERATION

#### *Distributed Generation Interconnection Agreement (<50kW)*

This Interconnection Agreement (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Southern Indiana Power, (the “Cooperative”), a corporation organized under the laws of Indiana, and \_\_\_\_\_ (“DG Owner/Operator”), 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, the Parties agree as follows:

This agreement provides for the safe and orderly operation of the electrical facilities interconnecting the DG Owner/Operator’s facility at \_\_\_\_\_ and the electrical distribution facility owned by the Cooperative.

This Agreement does not supersede any requirements of any by-laws, applicable tariffs, rates, rules and regulations in place between the DG Owner/Operator and the Cooperative.

**1. Intent of Parties:** It is the intent of (the DG Owner/Operator) to interconnect an electric power generator to the Cooperative’s electrical distribution system.

It is the intent of (the Cooperative) to operate the distribution system to maintain a high level of service to their customers and to maintain a high level of power quality.

It is the intent of both parties to operate the facilities in a way that ensures the safety of the public and their employees.

**2. Operating authority:** The DG Owner/Operator is responsible for establishing operating procedures and standards within their organization. The operating authority for the DG Owner/Operator shall ensure that the Operator in Charge of the generator is competent in the operation of the electrical generation system and is aware of the provisions of any operating agreements and regulations relating to the safe operation of electrical power systems.

The operating authority for (the DG Owner/Operator) is \_\_\_\_\_.

**3. Operator in Charge:** The operator in charge is the person identified by name or job title responsible for the real time operation of all electrical facilities related to the interconnection and owned by their organization.

The operator in charge for (the DG Owner/Operator) is -

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(name or title of operator in charge, along with address and phone numbers).

**4. Establishment of Point of Interconnection:** The point where the electric energy first leaves the wires or facilities owned by the Cooperative and enters the wires of facilities provided by the (DG Owner/Operator) is the “Point of Interconnection”. Cooperative and (DG Owner/Operator) agree to interconnect the Generator at the Point of Interconnection in accordance with the Cooperative’s (DG Owner/Operator) Requirements for Installation and Interconnection of Small Power Generation Systems, as well as the Cooperative’s Rules which are incorporated herein by reference. The Generator installation must also comply with the requirements of the current National Electric Code (“NEC”), National Electric Safety Code (“NESC”), and other applicable National, State, and local codes and ordinances, including but not limited to IEEE 1547.

**5. Safe Operation and Maintenance:** (DG Owner/Operator) shall be fully responsible to operate, maintain, and repair its Generating Plant as required to ensure that it complies at all times with the interconnection standards to which it has been certified. (DG Owner/Operator) will, at their own expense, install, operate, maintain, repair, and inspect, and shall be fully responsible for the Generator. (DG Owner/Operator) shall conduct operations of the Generator in compliance with all aspects of the Rules and in accordance with industry standard prudent engineering practices. Maintenance of the Generator shall be performed in accordance the applicable manufacturers’ recommended maintenance schedule and procedures.

**6. Suspension of Interconnection:** It is intended that the interconnection should not compromise (the Cooperative’s) protection or operational requirements. The operation of the (DG Owner/Operator’s) System and the quality of electric energy supplied by (the DG Owner/Operator) shall meet the standards as specified by the Cooperative. If the operation of the (DG Owner/Operator’s) system or quality of electric energy supplied (in the case of power export) does not meet the standards as specified, then (the Cooperative) will notify (the DG Owner/Operator) to take reasonable and appropriate corrective action. (The Cooperative) shall have the right to disconnect the (DG Owner/Operator’s) System, until compliance is reasonably demonstrated. Notwithstanding, (the Cooperative) may in its sole discretion disconnect the (DG Owner/Operator’s) generating plant from the Distribution Facility without notice if the operating of the Generating Plant imposes a threat, in the cooperative’s sole judgement, to life and property.

- 7. Maintenance Outages:** Maintenance outages will occasionally be required on the (Cooperative's) system, and the Cooperative will provide as much notice and planning as practical to minimize downtime.
- 8. Access:** Access is required at all times by (the Cooperative) to the (DG Owner/Operator's) site for maintenance, operating and meter reading. (The Cooperative) reserves the right, but not the obligation, to inspect the (DG Owner/Operator's) facilities.
- 9. Disconnect:** A lockable, manually operable, visible load-break disconnecting device is required to be installed in a location readily accessible to Cooperative personnel to isolate inverter unit for safety purposes.
- 10. Liability and Indemnification:** (DG Owner/Operator) shall assume all liability for and shall indemnify (the Cooperative) for any claims, losses, costs, and expenses of any kind or character to the extent that they result from (DG Owner/Operator)'s negligence or other wrongful conduct in connection with the design, construction or operation of (DG Owner/Operator)'s facility.
- 11. Insurance:** The (DG Owner/Operator), at their own expense, shall secure and maintain in effect while interconnected to the Cooperative's distribution system liability insurance insuring (DG Owner/Operator)'s indemnification obligations under section 11 above, with a combined single limit for bodily injury and property damage of not less the \$1,000,000 for each occurrence or such other amount as the Cooperative may require from time to time. A Certificate of Insurance evidencing the requisite coverage shall be provided to the Cooperative prior to the interconnection to the Cooperative's distribution system. Cooperative shall be permitted to periodically obtain proof of current insurance coverage. The (DG Owner/Operator) will not be allowed to commence or continue interconnected operations unless evidence is provided that satisfactory insurance coverage is in effect.
- 12. Modified Net-Metering Rates and Procedures:** Cooperative will utilize a modified net-metering process for Generators interconnected with the Cooperative's distribution system. Cooperative will provide and maintain all metering equipment necessary to implement net-billing. Under the modified net-metering process, the Cooperative will calculate on a monthly basis the amount due from the (DG Owner/Operator) for all electric service provided by the Cooperative to the (DG Owner/Operator) under the appropriate Retail Rate Schedule. Cooperative will net against the amount due from the DG Owner/Operator, an amount based on the electric service generated by the Generator based on the Cooperative's Avoided Rate for Small Power Generation Systems, Rate Schedules SPGS. If the value of the generation service the (DG Owner/Operator) provides to the Cooperative is less than the value of the electric services the Cooperative provided to the (DG Owner/Operator), the (DG Owner/Operator) will pay the Cooperative the net difference. If the value of the generation service the (DG Owner/Operator) provides to the Cooperative is greater than the value of the electric services Cooperative provided to the (DG Owner/Operator), the (DG Owner/Operator) will receive a credit that will be applied to future billing periods. If the (DG Owner/Operator) discontinues operation of the Generator, any remaining credits will be credited to the (DG Owner/Operator). If the (DG Owner/Operator) leaves the service area of the Cooperative and is no longer provided electric service by the Cooperative, any remaining credits will be paid to the (DG Owner/Operator). *All rate schedules and charges, as well as the Cooperative's service rules and regulations or policies, may be amended or modified, in whole or in part, at any time as deemed appropriate by the Corporation's Board of Directors.*

**13. Compliance with Laws and Rules:** Both the Cooperative and the (DG Owner/Operator) shall be responsible for complying with all applicable federal and state laws, rules and regulations. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the Rules, which Rules are hereby incorporated into this Agreement by this reference. The Cooperative shall have the right to change any of the Rules at any time.

**14. Severability:** If any portion of this Agreement is held or adjudged for any reason to be invalid or illegal of 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. Entirety of Agreement and Prior Agreements Superseded:** This Agreement, including the Rules and all attached Exhibits, 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 the Agreement. The Parties are not bound 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 the member application, or other written information provided by the (DG Owner/Operator) in compliance with the Rules. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.

**16. Assignment:** At any time during the term of this Agreement, the (DG Owner/Operator) may assign the Agreement to a corporation, an entity with limited liability or an individual (the "Assignee") to whom the (DG Owner/Operator) transfers ownership of the Generator; provided that the member obtains the consent of the Cooperative in advance of the assignment. The Cooperative's consent will be based on a determination that the Assignee is financially and technically capable to assume the ownership and/or operation of the Generator. The company or individual to which this Agreement is assigned will be responsible for the proper operation and maintenance of the Generator, and must agree in writing to be subject to all provisions of this Agreement.

**17. Notices:** Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

(a) If to Cooperative:

Steven L. Seibert, CEO  
Southern Indiana Power  
1776 10<sup>th</sup> Street  
PO Box 219  
Tell City, IN 47586

(b) If to Member:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**18. Limitations (No Third-Party Beneficiaries, Waiver, etc.):** 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. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provisions of this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the Parties.

**19. Term:** This agreement shall be effective upon execution by both Parties and shall continue in full force and effect as long as the (DG Owner/Operator)'s Generator is interconnected to the Cooperative's electric distribution system. This Agreement may be amended by the Cooperative without the consent of the (DG Owner/Operator) upon 30 days prior written notice to the (DG Owner/Operator). This Agreement shall terminate on the date that the (DG Owner Operator) permanently de-installs its interconnection of its Generator with the Cooperative's system and provides notice thereof to the Cooperative, provided, however, any obligation contained herein which would naturally survive the termination of this Agreement, including but not limited to (DG Owner/Operator)'s indemnification obligations, shall survive the termination of this Agreement. This agreement may also be terminated as follows: (a) Cooperative may terminate upon failure by the (DG Owner/Operator) to generate energy from the Generator and deliver such energy to the Cooperative within six (6) months after completion of the interconnection; (b) Cooperative may terminate this Agreement by giving the (DG Owner/Operator) at least thirty (30) days prior written notice that the (DG Owner/Operator) is in default of any of the terms or conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract or policy of the Cooperative, so long as the notice specifies the basis for termination and the default is not cured within such thirty (30) day period; (c) Cooperative may terminate by giving (DG Owner/Operator) at least sixty (60) days' notice in the event that there is a material change in an applicable law, or any requirements of the Cooperative's wholesale power supplier or of any transmission utility, independent system operator or regional transmission organization having responsibility for the operation of any part of the Cooperative's distribution system.

**AGREED TO BY**

DG Owner/Operator

Southern Indiana Power

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_