



A Touchstone Energy® Cooperative 

INTERCONNECTION AGREEMENT FOR MEMBER OWNED GENERATION

THIS AGREEMENT is made this _____ day of _____, _____, by and between _____ (Member), located at the address shown in the attached Application, and Choctawhatchee Electric Cooperative, Inc. (CHELCO).

The Member has made a request to interconnect its renewable generation, which is primarily intended to offset part or all of the member's electricity requirements, with the Company's electric supply grid at the Member's presently metered location.

This Agreement does not establish any intent of CHELCO or CHELCO's power supplier, PowerSouth Energy Cooperative ("PowerSouth") to purchase energy resulting from this interconnection, nor does this Agreement give the Member the right to sell energy resulting from this interconnection to any other entity or individual.

1. **Facility Requirements:**

The Member certifies that the EGS equipment, its installation, its operation and its maintenance shall be in compliance with the following standards:

- a. IEEE-1547 (2003) Standard for Interconnecting Distributed Resources with Electric Power System.
- b. IEEE-1547.1 (2005) Standard Conformance Test Procedures for Equipment Interconnection Distributed Resources with Electric Power Systems.
- c. UL-1741 (2005) Inverters, Converters, Controllers and Interconnection System Equipment for Use with Distributed Energy Resources.

1. Member-owned renewable generation shall include a utility-interactive inverter, or other device that meets all requirements in the above stated (IEEE-1547, IEEE 1547.1 and UL-1741), that performs the function of automatically isolating the Member-owned generation equipment from the electric grid in the event the electric grid loses power.

2. **Inspection Requirements:**

- a. Confirmation of the inspection report of the local code enforcement agency indicating compliance of the facility with all applicable local codes.
- b. Prior to connection and parallel operation of the member's generation system with CHELCO's system, the member shall provide CHELCO's marketing department notice of project completion and permit CHELCO to inspect the system and its component equipment and the documents necessary to insure compliance with various sections of this agreement. CHELCO will have the right to have personnel present on the in-service date in order to

ensure compliance with the requirements of this agreement. System inspections shall include, but not be limited to any installed manual disconnect switch, as applicable; CHELCO's metering equipment; any additional metering equipment installed by the member; the member's utility-interactive inverter, or similar protective device; and member documentation.

- c. CHELCO will provide the member with as much notice as reasonably practical, either in writing, email, facsimile or by phone as to when CHELCO may conduct inspection and/or document review. Upon reasonable notice, CHELCO shall have access to the Member's premises for any reasonable purpose in connection with the performance of the obligations imposed by this Interconnection Agreement or, if necessary, to meet CHELCO's legal obligation to provide service to its members. In the event that emergency access is required and no prior notice is given to the member, CHELCO will, at a minimum, leave a door hanger at the premises notifying the member of the inspection and the reasons for the inspection. Any time without notice in the event of an emergency or hazardous condition, CHELCO shall have access to the Member's premises to operate the manual disconnect switch, if available, or disconnect the meter.
- d. Any inspection or observation by CHELCO shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by CHELCO of the safety, durability, suitability, or reliability of the facility.

3. **General Responsibilities of Member's Facility:**

- a. The member is responsible for the protection of its generation equipment, inverters, protection devices, and other system components from damage from the normal and abnormal operations that occur on CHELCO's utility system in delivering and restoring system power; and is responsible for insuring that the equipment is inspected, maintained, and tested in accordance with the manufacturer's instructions to insure that it is operating correctly and safely.
- b. Member to obtain liability insurance for damage to persons or property resulting from the operation of the facility as below.

Installed Aggregate Capacity	Liability Insurance Requirements
≤ 10 kW	Recommended (not required) \$100,000
> than 10 kW but ≤ 100 kW	\$1,000,000
> than 100 kW but ≤ 2 MW	\$2,000,000

- c. The Member maybe required to install a visible, open, lockable disconnect capable of isolating the Member's generator near the Member's service entrance and meter panel.

4. **Conditions Warranting Disconnection of the Member's Facility:**

- a. CHELCO may isolate the member's system from the distribution grid using the manual disconnect switch, if available, or by disconnecting the meter without prior notice to the member. To the extent practical, however, prior notice shall be given. The system will be

reconnected as soon as practical once the conditions causing the disconnection cease to exist. Conditions which may require the disconnection on the member's systems are:

- i. CHELCO utility system emergencies or maintenance requirements.
 - ii. Hazardous conditions existing on CHELCO's utility system due to the operation of the member's generation or protective equipment as determined by CHELCO.
 - iii. Adverse electrical effects (such as power quality problems) on the electrical equipment of CHELCO's other electric consumers caused by the member's generation as determined by CHELCO.
- b. In the event that CHELCO disconnects the member's system without prior notice, CHELCO will leave a door hanger notifying the member of the disconnection, including and explanation of the conditions requiring such action.

5. **Modification/Additions to the Facility:**

- a. If the Member-owned renewable generation system is subsequently modified in order to increase its gross power rating, the member must notify CHELCO by submitting a new application specifying the modification at least thirty days prior to making the modification.
- b. If the member adds another member-owned renewable generator system which i.) utilizes the same utility inter-active inverter for both systems; or ii) utilizes a separate utility inter-active inverter for each system, the member shall provide thirty days' notice prior to installation.
- c. In the event any member modifications or additions result in the input to CHELCO's meter so as to qualify as a Tier 2 or Tier 3 system, then all terms and conditions, including appropriate notice, of the Interconnection Agreement for Tier 2 or Tier 3 systems should apply.
- d. The Interconnect Agreement which applies in the instance described above shall be determined by the maximum output of the generation system(s) which is connected to CHELCO's meter. In all instances described in this section, the Member shall submit a new application to CHELCO and shall enter into a new Interconnection Agreement.

6. **Liability and Indemnification:**

- a. The member hereby agrees, to the proportionate extent caused or contributed to by the negligence of the Member or its subcontractors, agents, or employees, to indemnify and hold CHELCO, its members, trustees, directors, officers, managers, employees, agents, successors harmless from any and all claims, damages, cost (including attorneys' fees and court cost), suits, or actions of third parties resulting from, arising out of, related to, or in any way associated or connected with the operation of the facility.
- b. In any action, suit or proceeding to enforce or interpret the terms of this agreement, the prevailing party shall be entitled to reimbursement for all cost and expenses reasonable incurred in enforcing, defending or interpreting its rights, including, but not limited to, all collection and court costs, and attorney fees, whether incurred in or out of court, on appeal, or in bankruptcy or administrative proceedings.

7. **Net Metering and Fees:**

CHELCO will install/re-program metering equipment on the member's premises capable of

measuring any excess kilowatt-hours produced by the Member's system and delivered to CHELCO's electric system. Prior to meter installation/re-programming Member shall pay CHELCO a connection fee to cover cost of modifications to the meter and associated equipment, facilities inspection/testing (if required) and other administrative and overhead expenses incurred by CHELCO to accommodate the metering and billing of energy.

8. **Net Metering Rates:**

a. The credit to the member served under the Residential Rate **RS-N** for electricity generated by the Member that is delivered to CHELCO shall be determined as follows:

RS-N Rate - \$0.03979 plus current month's WPA for all kWh delivered to CHELCO

b. The credit to the member served under the Non-Residential Rate General Service **GS-N** for electricity generated by a renewable of smaller in size than 25 kW by the Member that is delivered to CHELCO shall be determined as follows:

GS-N Rate - \$0.04031 plus current month's (WPA) for all kWh delivered to CHELCO.

c. The credit to the member served under the Non-Residential Rate General Service **GS-N** for electricity generated by a renewable larger than or equal to 25 KW in size by the Member that is delivered to CHELCO shall be determined as follows:

PowerSouth's, CHELCO's wholesale power provider, avoided cost of self-generation or the state mandated price, whichever is less. PowerSouth's avoided cost of generation will be calculated annually and provided to CHELCO's member. PowerSouth shall own and receive title to all renewable energy credits (REC's) produced by the member-owned generation.

9. **Termination**

Upon termination of this Interconnection Agreement, CHELCO will open and padlock the manual disconnect switch, if applicable, and make any necessary changes to the electric meter. The member agrees to permanently isolate the Facility from CHELCO's electric grid. The member will notify CHELCO in writing within (10) ten business days that the isolation procedure has been completed.

10. **Severability**

If any portion 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.

11. **Amendment**

This Agreement may only be amended upon mutual agreement of both Parties, which amendment will not be effective until reduced to writing and execute by the Parties.

12. **Limitations**

This Agreement is not intended to and does not create any rights, remedies or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties hereto, and the obligations herein assumed are solely for the use and benefit of the Parties.

13. **Attorney Fees**

In any action, suit or proceeding to enforce or interpret the terms of this agreement, the prevailing party shall be entitled to reimbursement for all costs and expenses reasonably incurred in enforcing, defending or interpreting its rights hereunder, including, but not limited to, all collection and court costs, and all attorneys' fees, whether incurred out of court, in the trial court, on appeal, or in bankruptcy or administrative proceedings.

Member:

Signature

(Member's Electric Acct. #)

CHELCO:

(Signature)

(Print)

(Title)

(Date)

Facility Physical Address:

Total Site Load: _____ kW or MW (circle one)

Generating System Manufacturer:

Manufacturer: _____ Model: _____ Voltage: _____ Rated kVA: _____

Manufacturer: _____ Model: _____ Voltage: _____ Rated kVA: _____

Manufacturer: _____ Model: _____ Voltage: _____ Rated kVA: _____

Annual Estimated Generation: _____ (kW)

Invertor Manufacturer:

Manufacturer: _____ Model: _____ Output Voltage: _____

Manufacturer: _____ Model: _____ Output Voltage: _____

Manufacturer: _____ Model: _____ Output Voltage: _____