



APPLICATION & 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 documentation 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 renewable 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. **Facility Information and Generator Requirements**

Total Site Load: AC: _____ DC: _____ kW or MW (circle one)
_____ Residential _____ Commercial

Annual Estimated Generation: _____ kWh

Generating System Manufacturer:

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

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

Invertor Manufacturer: _____

Manufacturer: _____ Model: _____ Output Voltage: _____

Manufacturer: _____ Model: _____ Output Voltage: _____

Generator Fuel/Energy Source (E.G. wind, solar, ect.) _____

_____ Single Phase _____ Three Phase Battery Storage: Yes _____ No _____

Isolated/Momentarily Parallel _____ Parallel (Non Exporting) _____ Parallel (Exporting) _____

Solar Company Name: _____ Solar Contact Phone Number: _____

3. **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 energy services 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.

4. **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 |
| $> \text{than } 10 \text{ kW but } \leq 100 \text{ kW}$ | \$1,000,000 |
| $> \text{than } 100 \text{ kW but } \leq 2 \text{ MW}$ | \$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.

5. **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.

6. **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 & interconnect agreement specifying the modification at least thirty days prior to making the modification.
- b. If the member adds another member-owned renewable generator system which (utilizes the same utility inter-active inverter for both systems; or 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 Application & Interconnection Agreement for Tier 2 or Tier 3 systems should apply.
- d. The Application & 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 Application & Interconnection Agreement.

7. 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.

8. Net Metering and Fees:

Member must submit non-refundable \$25 application fee and \$50 connection fee with this application interconnect agreement. 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. Connection fee covers the 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.

If the renewable is greater than 10 kW or greater than or equal to 100 kW, applicant will need to remit a non-refundable facility study deposit of \$500. If the renewable is greater than 100 kW or greater than or equal to 2 MW, applicants will remit non-refundable facility study deposit of \$3,500.

9. **Net Metering Rates:**

- a. The credit and energy charge to the member served under the RS-N Rate or the RS-TOU for electricity shall be determined as follows:

BILLING RATE RS-N

Available for generation installed before May 1, 2023. Current members may elect to remain on this rate until August 1, 2035 or until they make any upgrades to the existing distributed generation equipment or the property changes ownership.

The charges for the electricity supplied by the Cooperative to a residential customer served under Rate RS-N shall be determined as follows:

| | | | |
|-----------------------|-----------|---------|--------|
| Customer Charge: | | | |
| Single Phase | \$26.00 | | |
| Three Phase | \$37.50 | | |
| Energy Charge: | | | |
| Purchased Power | \$0.03979 | per kWh | Power |
| | \$0.01368 | per kWh | Demand |
| | \$0.05347 | per kWh | Total |
| Distribution Delivery | \$0.01699 | per kWh | |

MINIMUM CHARGE - The minimum monthly charge shall be the Customer Charge.

WPCA- See “Wholesale Power Cost Adjustment Clause” on Sheet No. 18.0

TAXES - See “Tax Adjustments” on Sheet No. 19.0.

DCA – See “Distribution Cost Adjustment” on Sheet No. 20.0

The credit to the customer served under Rate RS-N for electricity generated by the customer that is delivered to the Cooperative shall be determined as follows:

The power component of the energy charge, currently \$0.03979 plus the current month’s WPCA for all kWh delivered to the Cooperative.

WHOLESALE POWER COST ADJUSTMENT - See “Wholesale Power Cost Adjustment Clause” on Sheet No. 18.0

BILLING Rate RS-NTOU

Available for generation installed after May 1, 2023, or at the option of existing RS-N customers.

The charges for the electricity supplied by the Cooperative to a residential customer served under Rate RS-NTOU shall be determined as follows:

| | |
|------------------|---------|
| Customer Charge: | |
| Single Phase | \$26.00 |
| Three Phase | \$37.50 |

| | | | |
|--|-----------|---------|--|
| Energy Charge: | | | |
| On Peak Purchased Power | \$0.08144 | per kWh | |
| Off Peak Purchased Power | \$0.06366 | per kWh | |
| Distribution Delivery | \$0.01699 | per kWh | |
| On-Peak Hours are: May – October 2:00 pm until 7:00 pm | | | |
| November – April 5:00 am until 9:00 am | | | |

MINIMUM CHARGE - The minimum monthly charge shall be the Customer Charge.

WPCA - See “Wholesale Power Cost Adjustment Clause” on Sheet No. 18.0

TAXES - See “Tax Adjustments” on Sheet No. 19.0.

DCA – See “Distribution Cost Adjustment” on Sheet No. 20.0

The credit to the customer served under Rate RS-NTOU for electricity generated by the customer that is delivered to the Cooperative shall be determined as follows:

Off-Peak kWh Price = (Current PowerSouth Energy Charge + (Current Power South Average Demand Charge / 8760 hours) + Monthly PowerSouth Fuel Adjustment Charge)

On-Peak kWh Price = Off-Peak kWh Price + ((Demand associated member generation delivered to CHELCO corresponding to each 15-minute billing period in the year for PowerSouth Excess Demand Charges x Current PowerSouth Excess Demand Charge)/On-Peak kWh provided by member generation)

On-Peak kWh shall correspond to the kWh purchased by CHELCO from member generation during the On-Peak hours as defined in CHELCO’s Retail Tariff.

Off-Peak kWh shall correspond to all kWh other than On-Peak kWh.

The calculation above shall be computed annually, or when Power South changes the charges in its wholesale tariff, including the Fuel Adjustment Charge, which may change monthly, and applied to all kWh purchased by CHELCO in the calendar year from member generation.

The customer’s bill will be calculated by subtracting the credit to the customer from the Cooperative’s charges to the customer. If the credit to the customer is greater than the Cooperative’s charges to the customer, the customer’s bill shall be zero for the current billing cycle with the difference credited to the customer in subsequent billing cycles. When the customer discontinues Net Metering Rate service, any unused credit will revert to the Cooperative.

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.

I, _____ have read and understand CHELCO's rate structures for Net Metering.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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

Date:

(Member's Electric Acct. #)

CHELCO:

(Signature)

(Print)

(Title)

(Date)

Facility Physical Address:

Phone Number:

Email Address: