

Terms and Conditions for Interconnection (Attachment 1)

For Lab-Certified Inverter-Based Distributed Generation Facilities 100kW or Smaller

- 1) **Construction of the Distributed Generation Facility.** The interconnection member-consumer may proceed to construct (including operational testing not to exceed 2 hours) the distributed generation facility, once the conditional Agreement to interconnect a distributed generation facility has been signed by the Cooperative.
- 2) **Final Interconnection and Operation.** The interconnection member-consumer may operate the distributed generation facility and interconnect with the Cooperative's electric distribution system after all of the following have occurred:
 - a. **Electrical Inspection:** Upon completing construction, the interconnection member-consumer shall cause the distributed generation facility to be inspected by the local electrical inspection authority who shall establish that the distributed generation facility meets local code requirements.
 - b. **Certificate of Completion:** The interconnection member-consumer shall provide the Cooperative with a copy of the Certificate of Completion with all relevant and necessary information fully completed by the interconnection member-consumer, as well as an inspection form from the local electrical inspection authority demonstrating that the distributed generation facility passed inspection.
 - c. The Cooperative has completed its witness test as per the following:
 - i. The interconnection member-consumer shall provide the Cooperative at least 15 business days' notice of the planned commissioning test for the distributed generation facility. Within 10 business days after the commissioning test, the Cooperative may, upon reasonable notice and at a mutually convenient time, conduct a witness test of the distributed generation facility to ensure that all equipment has been appropriately installed and operating as designed and in accordance with the requirements of IEEE 1547.
 - ii. If the Cooperative does not perform the witness test within the 10 business days after the commissioning test or such other time as is mutually agreed to by the Parties, the witness test is deemed waived, unless the Cooperative cannot do so for good cause. In these cases, upon Cooperative request, the interconnection member-consumer shall agree to another date for the test within 10 business days after the original scheduled date.
- 3) **IEEE 1547.** The distributed generation facility shall be installed, operated and tested in accordance with the requirements of The Institute of Electrical and Electronics Engineers, Inc.

(IEEE), 3 Park Avenue New York, NY 10016-5997, Standard 1547 (2003) "Standard for Interconnecting Distributed Resources with Electric Power Systems," as well as any applicable federal, state, or local laws, regulations, codes, ordinances, orders, or similar directives of any government or other authority having jurisdiction.

- 4) **Access.** The Cooperative must have access to the isolation device or disconnect switch and metering equipment of the distributed generation facility at all times. When practical, the Cooperative shall provide notice to the member-consumer prior to using its right of access.
- 5) **Metering.** Any required metering shall be installed pursuant to the Cooperative's metering rules filed with the Iowa Utilities Board under subrule 199 IAC 20.2(5).
- 6) **Disconnection.** The Cooperative may disconnect the distributed generation facility upon any of the following conditions, but must reconnect the distributed generation facility once the condition is cured:
 - a. For scheduled outages, provided that the distributed generation facility is treated in the same manner as Cooperative's load member-consumers;
 - b. For unscheduled outages or emergency conditions;
 - c. If the distributed generation facility does not operate in the manner consistent with this Agreement or the applicable requirements of 199 IAC Chapters 15 or the Cooperative's tariff;
 - d. Improper installation or failure to pass the witness test;
 - e. If the distributed generation facility is creating a safety, reliability or a power quality problem;
 - f. The interconnection equipment used by the distributed generation facility is de-listed by the Nationally Recognized Testing Laboratory that provided the listing at the time the interconnection was approved;
 - g. Unauthorized modification of the interconnection facilities or the distributed generation facility; or
 - h. Unauthorized connection to the Cooperative's electric system.
- 7) **Indemnification.** The interconnection member-consumer shall indemnify and defend the Cooperative and the Cooperative's directors, officers, employees, and agents from all claims, damages and expenses, including reasonable attorney's fees, to the extent resulting from the interconnection member-consumer's negligent installation, operation, modification, maintenance, or removal of its distributed generation facility or interconnection facilities, or the interconnection member-consumer's willful misconduct or breach of this Agreement. The Cooperative shall indemnify and defend the interconnection member-consumer and the interconnection member-consumer's directors, officers, employees, and agents from all claims, damages, and expenses, including reasonable attorney's fees, to the extent resulting from the Cooperative's negligent installation, operation, modification, maintenance, or removal of its interconnection facilities or electric distribution system, or the Cooperative's willful misconduct or breach of this Agreement.

- 8) **Insurance.** The interconnection member-consumer shall provide the Cooperative with proof that it has a current homeowner's insurance policy or other general liability policy. The interconnection member-consumer agrees to provide the Cooperative with at least 30 calendar days' advance written notice of cancellation, reduction in limits, or non-renewal of any insurance policy required by this Agreement and may be required to show proof of insurance on an annual basis.
- 9) **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 in its performance of this Agreement, 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, incidental, special, consequential, or punitive damages of any kind whatsoever, provided that in no event shall death, bodily injury or third-party claims be construed as indirect or consequential damages.
- 10) **Termination.** This Agreement will remain in effect until terminated and may be terminated under the following conditions:
 - a. By interconnection member-consumer – The interconnection member-consumer may terminate this interconnection agreement by providing written notice to the Cooperative. If the interconnection member-consumer ceases operation of the distributed generation facility, the interconnection member-consumer must notify the Cooperative.
 - b. By the Cooperative – The Cooperative may terminate this Agreement without liability to the interconnection member-consumer if the interconnection member-consumer fails to remedy a violation of terms of this Agreement within 30 calendar days after notice, or such other date as may be mutually agreed to in writing prior to the expiration of the 30 calendar day remedy period. The termination date may be no less than 30 calendar days after the interconnection member-consumer receives notice of its violation from the Cooperative.
- 11) **Modification of Distributed Generation Facility.** The interconnection member-consumer must receive written authorization from the Cooperative before making any changes to the distributed generation facility that could affect the Cooperative's distribution system. If the interconnection member-consumer makes such modifications without the Cooperative's prior written authorization, the Cooperative shall have the right to disconnect the distributed generation facility.
- 12) **Permanent Disconnection.** In the event the Agreement is terminated, the Cooperative shall have the right to disconnect its facilities or direct the interconnection member-consumer to disconnect its distributed generation facility.
- 13) **Disputes.** Each Party agrees to attempt to resolve all disputes regarding the provisions of this Agreement that cannot be resolved between the two Parties pursuant to the dispute resolution provisions found in Iowa Utilities Board Chapter 45 rules on Electric Interconnection of Distributed Generation Facilities (199 IAC 45.12). However, Cooperative's agreement to utilize the dispute resolution provisions of the Chapter 45 rules shall not be construed as an agreement concerning the applicability of the balance of said Chapter.

- 14) **Governing Law, Regulatory Authority, and Rules.** The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the State of Iowa. Nothing in this Agreement is intended to affect any other agreement between the Cooperative and the interconnection member-consumer.
- 15) **Survival Rights.** This Agreement shall remain in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.
- 16) **Assignment/Transfer of Ownership of the Distributed Generation Facility.** This Agreement shall terminate upon the transfer of ownership of the distributed generation facility to a new owner unless the transferring owner assigns the Agreement to the new owner, the new owner agrees in writing to the terms of this Agreement, and the transferring owner so notifies the Cooperative in writing prior to the transfer of ownership.
- 17) **Definitions.** Any term used herein and not defined shall have the same meaning as the defined terms used in Iowa Utilities Board Chapter 45 rules on Electric Interconnection of Distributed Generation Facilities (199 IAC 45.1). However, Cooperative's agreement to utilize the definitions found in the Chapter 45 rules shall not be construed as an agreement concerning the applicability of the balance of said Chapter.
- 18) **Notice.** The Parties may mutually agree to provide notices, demands, comments, or requests by electronic means such as e-mail. Absent agreement to electronic communication, or unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement shall be deemed properly given when receipt is confirmed after notices are delivered in person, delivered by recognized national courier service, or sent by first-class mail, postage prepaid, return receipt requested to the person specified below:

If Notice is to Interconnection Customer: Use the contact information provided in the interconnection member-consumer's application. The interconnection member-consumer is responsible for notifying the Cooperative of any change in the contact party information, including change of ownership.

If Notice is to Cooperative: Use the contact information provided below. The Cooperative is responsible for notifying the interconnection member-consumer of any change in the contact party information.

East-Central Iowa REC
2400 Bing Miller Lane
PO Box 248
Urbanda, IA 52345-0248
Phone: 1-319-443-4343; Toll free: 1-877-850-4343
Facsimile Number: 1-319-443-4359; E-Mail Address: ecirec@ecirec.coop

- 19) **Interruptions.** The Cooperative is not responsible for any lost opportunity or other costs incurred by the interconnection member-consumer as a result of an interruption of service.
- 20) **Operator.** The interconnection member-consumer shall designate an operator who will be responsible for day-to-day operations of the distributed generation facility and available for communication on a 24 hour per day/7 day per week basis with Cooperative, G&T, the Local Balancing Authority, MISO and other applicable entities with jurisdiction over the operation of the Facility and Cooperative's System.

Terms of Cooperative Purchases from Distribution Facility (Attachment 2)

For Lab-Certified Inverter-Based Distributed Generation Facilities 100kW or Smaller

1. **Agreement to Purchase.** In the event the Interconnecting Customers selects the option of Self-Use and Sales to the Cooperative on the Application Form, then the Cooperative agrees to purchase from the Interconnection Customer such excess energy and capacity as may be available for purchase by the Interconnection Customer's facility and which Interconnection Customer desires to sell to Cooperative. Cooperative acknowledges that Interconnection Customer may utilize some of the energy Interconnection Customer generates as it is being generated and the Cooperative understands that it will only purchase such excess as Interconnection Customer delivers to Cooperative.

2. **Rates.** Payment for purchases from the member-consumer pursuant to this contract shall be as follows:

The price(s) for purchases from qualifying facility (as defined above) and with a design capacity of 5 to 100 kilowatts will be at an amount equal to or greater than the Cooperative's avoided cost. Since the Cooperative purchases all of its electric power requirements from G&T, the Cooperative's avoided cost is similar to that of G&T. The rate options are set forth on the attached G&T Price Schedule C. This price may be subject to change as the Cooperative's avoided cost changes. Estimated changes are reflected on the attached Price Schedule for the next several years; but these are simply estimates and the actual Price changes may be different than these estimates.

3. **Metering.** The Cooperative will install metering equipment at the point of service to the QF Facility of one of the following types:

- a. Metering capable of measuring and recording energy flows, on a kWh basis, from the Cooperative to the QF and from the QF to the Cooperative, with each directional energy flow recorded independently.
- b. Metering capable of measuring power flows in each direction on an hourly or other real-time basis.

The Cooperative shall have the opportunity to collect all reasonable costs of metering necessary to allow for sales to the Cooperative from the Member-Consumer.

4. The QF shall be responsible for payment of any applicable service charge or other applicable charges approved by the Board of Directors that are not collected on the basis of metered registration.

For charges collected on the basis of metered registration, the Cooperative shall, for each monthly billing period, determine the net meter registration of the QF by comparing the directional energy flow in each direction.

Facilities Eligible for Net Metering Option Nameplate under 5kW.

The availability of this optional rate is subject to a total facility cap of 250kW of nameplate capacity on the Cooperative's system.

(The total facility cap of 250kW has been met as of 10-30-2014.)

East-Central Iowa REC will not offer a discounted rate on an interconnected account, for example an electric heat rate. Should a member wish to install an AEP facility, and currently has a discounted rate being billed, the member will need to convert their discounted service to their main meter to have an approved net metered AEP facility connected.

5. Applicable to Net Metered Accounts Only

- 5.1 If the net meter registration shows that the deliveries of energy in kWh from the QF to the Cooperative exceed the deliveries of energy in kWh from the Cooperative to the QF, the net meter registration in kWh will be carried forward to the next monthly billing period as a Net Metering Credit, expressed in kWh. If the QF has carried over a Net Metering Credit from one or more prior months, the net meter registration from the current month shall be added to the Net Metering Credit that exists from prior months.
 - 5.2 If the net metering registration shows that deliveries of energy in kWh from the Cooperative to the QF exceed the deliveries of energy in kWh from the QF to the Cooperative, the QF shall pay the Cooperative for the net amount of energy delivered by the Cooperative after application of any Net Metering Credit carried forward from previous months at the rate applicable to its type or class of electric service.
 - 5.3 The Cooperative shall not be required to convert the Net Metering Credit to cash at any time during the year; however, the total Net Metering Credit existing at the end of each year, expressed in kWh, shall be converted to cash by the Cooperative at a rate equal to Cooperative's avoided cost for that year as defined in the PURPA regulations.
6. The net metering arrangement provided to Member-Consumer herein is for the purposes of promoting small-scale renewable generation facilities, such as the facility owned by Member-Consumer. The parties agree that all kWh's delivered by the QF to the Cooperative shall be deemed to have been purchased by Cooperative at the point of delivery, even though the Cooperative shall have given the Member-Consumer Net Metering Credits rather than a cash payment for the same. In addition, such purchases shall include the purchase of any "green tags," renewable energy credits, or other environmental attributes associated with the purchase of renewable energy.

7. Interconnection Facilities

- 7.1 The interconnection member-consumer shall pay for the cost of the interconnection facilities itemized in Attachment 3. The Cooperative shall identify the additional interconnection facilities necessary to interconnect the distributed generation facility with the Cooperative's electric distribution system, the cost of those facilities, and the time required to build and install those facilities, as well as an estimated date of completion of the building or installation of those facilities.
- 7.2 The interconnection member-consumer is responsible for its expenses, including overheads, associated with owning, operating, maintaining, repairing, and replacing its interconnection equipment.
- 7.3 Distribution Upgrades – The Cooperative shall design, procure, construct, install, and own any distribution upgrades. The actual cost of the distribution upgrades, including overheads, shall be directly assigned to the interconnection member-consumer whose distributed generation facility caused the need for the distribution upgrades.