

NORTH GEORGIA EMC
INTERCONNECTION AND PARALLEL OPERATION AGREEMENT
FOR RENEWABLE GENERATION

This Interconnection Agreement (“Agreement”) for distributed generation is made and entered into this _____ day of _____, 20____, by North Georgia EMC, (“Distributor”), a corporation organized under the laws of Georgia, and _____ who is a member in good standing of North Georgia EMC, and

WHEREAS, the Participant has requested interconnection services for a qualifying renewable facility at the Participant’s presently metered location, which is _____

. Now, therefore, for and in consideration of the mutual covenants and agreements set forth herein, the Parties agree as follows:

1. Scope of Agreement

1.1. This Agreement is applicable to conditions under which the Distributor and the Participant agree that one or more generating systems and all related interconnection equipment located at Participant’s presently metered location with gross power rating of ____ kW and to be interconnected at _____ Volts may be interconnected to the Distributor’s electric power distribution system (“System”). **However, Participant is not allowed to proceed with parallel operation** until Distributor has conducted an onsite inspection and witnessed any required commissioning test or waived such test and has given Participant written authorization to proceed with parallel operation.

2. Establishment of Point of Interconnection

2.1. The point where the electric energy first leaves the wires or facilities owned by the Distributor and enters the wires or facilities provided by Participant is the “Point of Interconnection.” Distributor and Participant agree to interconnect the Generating System at the Point of Interconnection in accordance with the Distributor’s rules, regulations, by-laws, and rates (the “Rules”) which are incorporated herein by reference and the generator and all related interconnection equipment will comply with the Distributor’s Distributed Generation Interconnection Procedures.

2.2. The nameplate output of the Generating System is in the form of _____-Phase, _____-Wire, alternating current of 60 hertz frequency and at _____ Volts.

2.3. The point of interconnection between Participant and Distributor hereunder will be _____ (ex. Supply side connection of NGEMC meter).

2.4. Participant shall not interconnect Participant’s Generating System with Distributor’s electric system nor commence parallel operation of Participant’s Generating System until both Parties have accepted this agreement. Distributor shall have the right and opportunity to have representatives present at the initial testing of Participant’s protective apparatus. Participant shall notify Distributor at least 5 business days prior to the initial testing. In the event Participant has

interconnected Participant's Generating System without Distributor's acceptance of this agreement, Distributor shall have the right to immediately isolate Participant's premises and/or Generating System from Distributor's system until Distributor's acceptance is granted and the requirements of the Interconnection Agreement have been met.

- 2.5. Distributor WILL NOT ALLOW any batteries, battery banks, or any other means of energy storage to be installed on a grid-tied customer generation system without the express written consent of Distributor. A full review of the design and installation of any batteries, battery banks, or other means of energy storage must be conducted by the Engineering Department prior to interconnection.

3. General Responsibilities of the Parties

- 3.1. Distributor has reviewed the proposed generation and related equipment as previously stated in this Interconnection agreement and approved the Generating System for interconnection based on one of the following conditions:

- 3.1.1. Generating System has been certified as meeting the applicable codes and standards, or
- 3.1.2. Distributor in agreement with Participant has conducted additional engineering evaluations or detailed impact studies and any necessary System upgrades or changes identified by these additional studies have been implemented and Participant has paid for such changes where necessary. Charges for such System upgrades or changes are defined as Interconnection Costs and if applicable are specified in the Service Rules and Regulations, Appendix E.
- 3.1.3. Additionally, Participant agrees to pay any and all fees and charges, recurring or otherwise, in accordance with Distributor's Service Rules and Regulations, which may include but are not limited to trip fees, billing process fees, termination fees, documentation fees for name or capacity changes. All fees are subject to change from time to time and are updated and published in: Distributor's Service Rules and Regulations, Appendix E; Distributor's Published Rate Schedules.

- 3.2. Participant shall comply with all applicable laws, regulations, zoning codes, building codes, safety rules and environmental restrictions, including the latest version of the National Electrical Code applicable to the design, installation, operation, and maintenance of its Generating System.

- 3.3. The Participant shall provide Local Building Code Official inspection and certification of installation forms to the Distributor. The certification shall reflect that the code official has inspected and certified that the installation was permitted, has been approved, and has met all electrical and mechanical qualifications.

3.4. After installation, and prior to parallel operation, the Distributor may inspect the Generating System for compliance with standards which may include a witness test. Distributor must provide written authorization before Participant can begin parallel operation.

- 3.5. Participant shall conduct operations of its Generating System in compliance with all aspects of the Rules and in accordance with industry standard prudent engineering practice and must comply with the latest version of IEEE 519.

- 3.6. The Participant shall be responsible for protecting its renewable generation equipment, batteries, inverters, protective devices, and other system components from damage from the normal and abnormal conditions and operations that occur on the System in delivering and restoring power; and shall be responsible for ensuring that the Generating System is inspected,

maintained, and tested on an ongoing basis in accordance with the manufacturer's instructions to ensure that it is operating correctly and safely. Distributor will have the right to request and receive copies of the test results.

4. Inspection and On-Going Compliance

- 4.1. Distributor will provide Participant with as much notice as reasonably practicable; either in writing, e-mail, facsimile or by phone as to when Distributor may conduct inspection and/or document review. Upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, Distributor shall have access to the Participant's premises for the purpose of accessing the manual disconnect switch, performing an inspection or disconnection, or, if necessary, to meet Distributor's legal obligation to provide service to its customers.
- 4.2. Distributor's obligation to provide the interconnection as covered in this agreement on the agreed upon effective date is contingent upon Distributor receiving the rights-of-way and receiving the necessary equipment in sufficient time to install it on or before that date.
- 4.3. Participant shall maintain Participant's Generating System and all related Participant owned protective equipment and facilities in a safe and prudent manner, conforming to all applicable laws and regulations. Participant shall reimburse Distributor for any and all losses, damages, claims, penalties or liability Distributor incurs as a result of Participant's failure to maintain the Generating System, equipment, and facilities in a safe and prudent manner or failure to obtain and/or maintain any governmental authorizations or permits required for construction and operation of Participant's facility.

5. Manual Disconnect Switch

- 5.1. Participant must install a manual, lockable, visible load break disconnect switch between the generation source and the Distributor's system that is visibly marked "**Participant Generation Disconnect.**" The Participant shall ensure that such manual disconnect switch shall remain readily accessible to Distributor and be capable of being locked in the open position with a single Distributor utility padlock. A permanent, weatherproof single line diagram of the facility must be located adjacent to the disconnect switch.

6. Disconnection / Reconnection

- 6.1. Distributor may open the manual disconnect switch or disconnect the Participant's meter, pursuant to the conditions set forth in Section 6.2 below, isolating the Generating System, without prior notice to the Participant. To the extent practicable, however, prior notice shall be given. If prior notice is not given, Distributor shall at the time of disconnection leave notice to the Participant that its Participant-owned renewable generation has been disconnected, including an explanation of the condition necessitating such action. As soon as practicable after the condition(s) necessitating disconnection has been remedied, Distributor will unlock the disconnect switch so Participant may reenergize the Generating System. It is agreed that Distributor shall have no liability for any loss of generation or other damages, including all punitive and consequential damages for the loss of business opportunity, profits, or other losses, regardless of whether such damages were foreseeable, for the isolation of Participant's premises and/or Generating System from the Distributor's system per this agreement.
- 6.2. Distributor has the right to disconnect the Participant-owned renewable generation at any time.

Some examples of situations that may require disconnect are:

- 6.2.1. Emergencies or maintenance requirements on Distributor's system;
- 6.2.2. Hazardous conditions existing on Distributor's system due to the operation of the Participant's generating or protective equipment as determined by Distributor; and
- 6.2.3. Adverse electrical effects, such as power quality problems, on the electrical equipment of Distributor's other electric consumers caused by the Participant-owned renewable generation as determined by Distributor.

7. Modifications/Additions to Participant-owned Renewable Generation

7.1. Participant shall not make any changes to the Generating System output capacity and/or modification to the protection system without first notifying Distributor of intent to increase output of customer-owned generation and obtaining a new acceptance from Distributor before making the changes to the Generating System.

8. **Indemnity:** Participant agrees to release, indemnify, and save harmless Distributor, TVA, the United States of America, and their respective agents and employees from all liability, claims, demands, causes of action, costs, or losses for personal injuries, property damage, or loss of life or property, sustained by Participant, Participant's agents and family, or third parties arising out of or in any way connected with the installation, testing, operation, maintenance, repair, replacement, removal, defect, or failure of Participant's Generating System.

9. Insurance

9.1. It is recommended Participant should obtain liability insurance and retain this insurance for as long as its Generating systems are interconnected with the Distributor's system. The purpose of the liability insurance is to protect Participant from claims for bodily injury and/or property damage. For a non-residential Participant, the minimum coverage recommended for comprehensive general liability insurance is at least \$300,000 per occurrence and for a residential Participant the minimum recommended coverage is at least \$100,000 per occurrence.

10. **Effective Term and Termination Rights:** This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. The Agreement may be terminated in accordance with the following:

10.1. If Participant desires to terminate the Agreement, Distributor will agree to such termination if Distributor is satisfied that Participant no longer can operate Participant's Generator in parallel with Distributor's system at the premises and all bills for services previously rendered to Participant, plus any applicable termination charges, have been paid. Distributor may waive the termination charges if Distributor has secured or expects to secure from a new occupant or operator of the premises an Agreement satisfactory to Distributor

10.2. Distributor, in addition to all other legal remedies, may either terminate the Agreement or suspend interconnection with Participant (a) **for any default or breach of this Agreement or the Participant's Dispersed Power Provider Agreement by Participant** (b) for failure to pay any applicable bills when due and payable, (c) for a condition on Participant's side of the point of interconnection actually known by Distributor to be, or which Distributor reasonably anticipates may be, dangerous to life or property, (d) by giving the Participant at least sixty days' notice in the event that there is a material change in an applicable rule or statute concerning interconnection and parallel operation of the Generator, unless the Participant's installation is exempted from the change or the Participant complies with the change in a

timely manner. No such termination or suspension, however, will be made by Distributor without written notice delivered to Participant, personally or by mail, stating what in particular in the Agreement has been violated, except that no notice need to be given in instances set forth in 10.2(c) above.

11. Assignments

- 11.1. Participant shall not assign its rights nor delegate its duties under this Agreement without Distributor's written consent. Any assignment or delegation Participant makes without Distributor's written consent shall not be valid. Distributor shall not unreasonably withhold its consent to Participant's assignment of this Agreement.
- 11.2. An assignee or new Participant must submit a new Interconnection and Parallel Operation Agreement to Distributor and obtain Distributor's written approval before any assignment shall occur. Participant assumes the responsibility of ensuring a new Participant or assignee is aware the new Participant or assignee must re-apply and obtain Distributor's written acceptance or the equipment must be removed or disabled to prevent future interconnection and/or operation.

12. Entirety of Agreement and Prior Agreements Superseded: This Agreement and all attached Exhibits expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the Generating System of the Parties at the Point of Interconnection expressly provided for in this Agreement. The Parties are not bound by 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 herein, in the Participant's Application for Interconnection Distributed Generation, or other written information provided by the Participant in compliance with the Rules.

13. Amendments: The Parties may amend this Agreement, but such amendment may only be effective and enforceable if it is set forth in a written instrument signed by both Parties.

14. Third Parties: This Agreement is intended solely for the benefit of the parties hereto. Nothing in this Agreement shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a party of this Agreement.

15. Governing Law: This Agreement shall be governed under laws of the State in which the interconnection between the facilities of Distributor and Participant, which is the subject hereof, is located.

16. Severability: If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such portion or provision Interconnection Agreement shall be deemed separate and independent, and the remainder of this Agreement shall remain in full force and effect.

17. Waiver: No delay or omission in the exercise of any right under this Agreement shall impair any such right or shall be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. In the event that any agreement or covenant herein shall be breached and thereafter waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

18. Participant Certification: By signing this Agreement below, Participant hereby certifies that, to the best of Participant's knowledge, all of the information provided in the Application for Operation of

Customer-Owned Generation is true and correct, the Generator will comply with the Interconnection Agreement, and that Participant has received and reviewed this Agreement.

19. 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 Distributor:

North Georgia EMC
c/o President/CEO
1850 Cleveland Hwy.
PO Box 1407
Dalton, GA 30722-1407

(b) If to Participant:

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other.

20. ACCEPTANCE AND SIGNATURES: Upon the acceptance hereof by Distributor, evidenced by the signature of its authorized representative appearing below, this document shall be an Agreement for the interconnection of Participant's Generator to Distributor's system.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

North Georgia EMC

BY: _____

BY: _____

TITLE: President/CEO

TITLE: _____

DATE: _____

DATE: _____