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**INTERCONNECTION PROCEDURES,
FORMS, AND AGREEMENTS FOR CERTIFIED INVERTER-BASED
GENERATING FACILITIES NO LARGER THAN 25 kW***

These materials, which shall govern interconnection of distributed generation to the distribution system of [insert cooperative name], are intended to satisfy the requirements of the Final Rule of the Rural Utilities Service of the U.S. Department of Agriculture re “Interconnection of Distributed Resources,” 74 Fed. Reg. 32406 (July 8, 2009) (codified at 7 C.F.R. Part 1730, Subpart C)

**This document is excerpted from CCEC’s overall Interconnection Policy and contains sections and attachments relative only to facilities no larger than 25 kW.*

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Section 1. General Requirements

1.1 Applicability

1.1.1 This Standard contains the requirements for interconnection of Distributed Resources and parallel operation of Generation Facilities with the distribution system of Carteret-Craven Electric Cooperative.

1.1.1.1 A request to interconnect a Distributed Resource that has a certified inverter-based Generating Facility no larger than 25 kW shall be evaluated under the Section 2—25 kW Inverter Interconnection Process. (See Attachments 3 and 4 for certification criteria.)

1.1.1.2 A request to interconnect a Distributed Resource that has a certified Generating Facility larger than 25 kW and no larger than 500 kW shall be evaluated under the Section 3— Fast Track Interconnection Process. (See Attachments 3 and 4 for certification criteria.)

1.1.2 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.

1.1.3 This Standard shall not apply to Generating Facilities already interconnected or approved for interconnection as of the effective date of this Standard, unless so agreed to by the Cooperative and the Interconnection Member. However, this Standard shall apply if the Interconnection Member proposes Material Modifications or transfers ownership of the Generating Facility after that date.

1.2 Pre-Request

On its Internet website, the Cooperative will provide a means to contact an appropriate representative to address informal requests and questions regarding interconnection. Typically, the name, telephone number, and e-mail address of a contact employee(s) will be provided.

1.3 Interconnection Request

The Interconnection Member shall submit its Interconnection Request to the Cooperative, together with the non-refundable processing fee or deposit specified in the Interconnection Request. If the Interconnection Request does not provide sufficient information, the Cooperative may request that the Interconnection Member provide supplemental information. If the Interconnection Member does not provide the necessary information within a reasonable period following such a request, the Interconnection Request will be deemed withdrawn.

1.4 Modification of the Interconnection Request

Material Modification of the Interconnection Request by the Interconnection Request is neither permitted nor effective absent written agreement of the Cooperative, and may be deemed a withdrawal of the Interconnection Request such that re-submission of a new Interconnection Request may be required.

1.5 Site Control

Documentation of site control will not ordinarily be required when submitting an Interconnection Request. However, the Cooperative may request satisfactory evidence of site control before the Cooperative makes a significant investment in Interconnection Facilities or Distribution Upgrades, or if two or more proposed Generating Facilities are competing for capacity on the same circuit. Further, the Cooperative will typically require the Interconnection Member to pay in advance for such investment or to defray the costs of upgrades to, or installation of, facilities necessary for interconnection. The Interconnection Member that can demonstrate site control will have a higher Queue Position than one that is on the same circuit and cannot demonstrate site control. The Interconnection Member must submit documentation of site control to the Cooperative at or before the time of final execution of the Interconnection Agreement. Site control may be demonstrated through:

1.5.1 Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility;

1.5.2 An option to purchase or acquire a leasehold site for such purpose; or

1.5.3 An exclusive or other business relationship between the Interconnection Member and the entity having the right to sell, lease, or grant the Interconnection Member the right to possess or occupy a site for such purpose.

1.6 Queue Position

The Cooperative shall assign a Queue Position based upon the order of submission of the Interconnection Request. The Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. At the Cooperative's option, Interconnection Requests may be studied serially or in clusters for the purpose of the System Impact Study, should one be required. (See Section 4.4)

1.7 Interconnection Requests Submitted Prior to the Effective Date of these Procedures

Nothing in this Standard affects an Interconnection Member's Queue Position assigned before the effective date of these procedures. The Parties agree to complete work on any interconnection study agreement executed prior to the effective date of these procedures in accordance with the terms and conditions of that interconnection study agreement. Any new studies or other additional work will be completed pursuant to this standard.

Section 2. 25 kW Inverter Process for Interconnecting Certified Inverter-Based Generating Facilities No Larger than 25 kW

2.1 Applicability

The 25 kW Inverter Process is available to an Interconnection Member proposing to interconnect its inverter-based Generating Facility with the Cooperative's System if the Generating Facility is no larger than 25 kW and if the Interconnection Member's proposed Generating Facility meets the codes, standards, and certification requirements of Attachments 3 and 4 of these procedures, or the Cooperative has reviewed the design or tested the proposed Generating Facility and is satisfied that it is safe to operate. The Cooperative is requiring the Interconnection Member to install a manual load-break disconnect switch or safety switch (External Disconnect Switch) as a clear visible indication of switch position between the Cooperative System and the Interconnection Member. (See also Section 5.16 and the Glossary of Terms).

2.2 Interconnection Request

The Interconnection Member shall complete the Interconnection Request for a certified inverter-based Generating Facility no larger than 25 kW (see Attachment 5) and submit it to the Cooperative, together with the non-refundable processing fee specified in the Interconnection Request.

2.3 Certificate of Completion

2.3.1 After installation of the Generating Facility, the Interconnection Member shall return the Certificate of Completion to the Cooperative. (See Attachment 5). Prior to parallel operation, the Cooperative may inspect the Generating Facility for compliance with standards, which will typically include a witness test, and may schedule appropriate metering replacement, in its sole discretion.

2.3.2 The Cooperative shall notify the Interconnection Member in writing that interconnection of the Generating Facility is authorized. If the witness test is not satisfactory, the Cooperative has the right to disconnect the Generating Facility. The Interconnection Member has no right to operate in parallel with the Cooperative until a witness test has been performed, or previously waived on the Interconnection Request.

2.3.3 Interconnection and parallel operation of the Generating Facility is subject to the Terms and Conditions stated in Attachment 5 of these procedures.

2.4 Contact Information

The Interconnection Member must provide the contact information for the legal applicant (i.e., the Interconnection Member). If another entity is responsible for interfacing with the Cooperative, that contact information must also be provided on the Interconnection Request.

2.5 Ownership Information

The Interconnection Member shall provide the legal name(s) of the owner(s) of the Generating Facility.

Section 5. Provisions that Apply to All Interconnection Requests

5.1 Reasonable Efforts

The Cooperative will make reasonable efforts to accomplish the steps described in these procedures as soon as practicable, unless the Cooperative and the Interconnection Member agree to a different schedule, bearing in mind that such steps will be delayed, in the Cooperative's sole discretion, when necessary or appropriate to ensure uninterrupted performance of the Cooperative's operational requirements.

5.2 Disputes

5.2.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this section.

5.2.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.

5.2.3 As soon as practicable following issuance of the Notice of Dispute, the Parties shall schedule a meeting of senior personnel to discuss, in good faith, potential resolution of the underlying dispute.

5.2.4 If this meeting does not result in settlement of the dispute, the matter shall then be referred to mediation before a mediator mutually acceptable to the Parties, preferably with industry-specific experience. The mediation shall be conducted in the offices of the Cooperative. If the Parties cannot agree on a particular mediator, then they shall request that the mediator be selected by the Superior Court in the county in which the Cooperative is located.

5.2.5 If mediation fails to resolve the dispute, each Party is then free to pursue its legal remedies, if any.

5.3 Interconnection Metering

Any metering necessitated by the use of the Generating Facility shall be installed at the Interconnection Member's expense in accordance with all applicable regulatory requirements and the Cooperative's specifications. Issues as to meter ownership may be addressed in the particular Interconnection Agreement.

5.4 Commissioning

Commissioning tests of the Interconnection Member's installed equipment shall be performed pursuant to applicable codes and standards. The Cooperative must be given at least five Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

5.5 Confidentiality

5.5.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential."

5.5.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities, or necessary to be divulged in an action to enforce these procedures. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under these procedures, or to fulfill legal or regulatory requirements.

5.5.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

5.5.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

5.5.3 If information is requested by the Commission from one of the Parties that is otherwise required to be maintained in confidence pursuant to these procedures, the Party shall provide the requested information to the Commission within the time provided for in the request for information. In providing the information to the Commission, the Party may request that the information be treated as confidential and non-public in accordance with North Carolina law and that the information be withheld from public disclosure.

5.6 Interconnection Agreement

After receiving an Interconnection Agreement from the Cooperative, the Interconnection Member shall have 30 Business Days, or another mutually agreeable timeframe, to sign and return the Interconnection Agreement. If the Interconnection Member does not sign the Interconnection Agreement within such time, the Interconnection Request shall be deemed withdrawn. The Cooperative may waive the withdrawal if no other Interconnection Requests are pending for Generating Facilities that propose to interconnect to the same circuit on the Cooperative's System. After the Parties sign the Interconnection Agreement, the interconnection of the Generating Facility shall proceed under the provisions of the Interconnection Agreement.

5.7 Coordination with Affected Systems

The Cooperative will typically coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable studies within a reasonable timeframe. The Cooperative will endeavor to include such Affected System operators in all meetings held with the Interconnection Member. The Interconnection Member will cooperate with the Cooperative in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

5.10 Capacity of the Generating Facility

5.10.1 If the Interconnection Request is for an increase in capacity for an existing Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Generating Facility.

5.10.2 If the Interconnection Request is for a Generating Facility that includes multiple energy production devices at a site for which the Interconnection Member seeks a single Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices, unless otherwise agreed to by the Cooperative and the Interconnection Member.

5.10.3 The Interconnection Request shall be evaluated using the maximum rated capacity of the Generating Facility, unless otherwise agreed to by the Cooperative and the Interconnection Member.

5.11 Interconnection Agreement Non-Transferable

5.11.1 The Interconnection Agreement is non-transferable. The Interconnection Member shall notify the purchaser of the Generating Facility that a new Interconnection Request must be submitted to the Cooperative within 20 Business Days of the transfer of ownership or the Cooperative's Interconnection Facilities shall be removed or disabled and the Generating Facility disconnected from the Cooperative's System.

5.11.2 The technical requirements in the Interconnection Agreement shall be grandfathered for subsequent owners as long as (1) the Generating Facility's maximum rated capacity has not been changed; (2) the Generating Facility has not been modified so as to change its electrical characteristics; and (3) the interconnection system has not been modified.

5.12 Isolating or Disconnecting the Generating Facility

- 5.12.1 The Cooperative may isolate the Interconnection Member's premises and/or Generating Facility from the Cooperative's System when necessary in order to construct, install, repair, replace, remove, investigate or inspect any of the Cooperative's equipment or part of Cooperative's System; or if the Cooperative determines that isolation of the Interconnection Member's premises and/or Generating Facility from the Cooperative's System is necessary, in the Cooperative's sole discretion, because of emergencies, forced outages, force majeure or compliance with prudent electrical practices.
- 5.12.2 When feasible, the Cooperative will typically give the Interconnection Member reasonable notice of the isolation of the Interconnection Member's premises and/or Generating Facility from the Cooperative's System.
- 5.12.3 Notwithstanding any other provision of this Standard, if at any time the Cooperative determines that the continued operation of the Generating Facility may endanger either (1) the Cooperative's personnel or other persons or property or (2) the integrity or safety of the Cooperative's System, or otherwise cause unacceptable power quality problems for other electric consumers, the Cooperative shall have the right to isolate the Interconnection Member's premises and/or Generating Facility from the Cooperative's System without prior notice.
- 5.12.4 The Cooperative may disconnect from the Cooperative's System, without prior notice, any Generating Facility determined to be malfunctioning, or not in compliance with this Standard. The Interconnection Member must provide proof of compliance with this Standard before the Generating Facility will be reconnected.

5.13 Limitation of Liability

The Cooperative's liability to the Interconnection Member for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission hereunder, shall be limited to the amount of direct damage actually incurred. In no event shall the Cooperative be liable to the Interconnection Member for any indirect, special, incidental, consequential, or punitive damages of any kind. Under no circumstances will the Cooperative be liable or responsible for lost profits, business interruption damages or costs, or damages associated with Interconnection Member's inability to sell the electricity from the Generating Facility.

5.14 Indemnification

The Interconnection Member shall at all times indemnify, defend and save the Cooperative harmless from any and all damages, losses, claims, including claims and actions relating to injury or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney's fees, and all other obligations by or to third parties, arising out of or resulting from the Interconnection Member's (or its agents or representatives) action or inaction of its obligations hereunder.

5.15 Insurance

The Interconnection Member shall obtain and retain, for as long as the Generating Facility is interconnected with the Cooperative's System, liability insurance which protects the Interconnection Member from claims for bodily injury and/or property damage. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. This insurance shall be primary for all purposes. The Interconnection Member shall provide certificates evidencing this coverage as required by the Cooperative. Such insurance shall be obtained from an insurance provider authorized to do business in North Carolina. The Cooperative reserves the right to refuse to establish or continue the interconnection of the Generating Facility with the Cooperative's System, if such insurance is not in effect.

- 5.15.1 For an Interconnection Member that is a residential Member of the Cooperative proposing to interconnect a Generating Facility no larger than 25 kW, the required coverage shall be a standard homeowner's insurance policy with liability coverage in the amount of at least \$100,000 per occurrence.

- 5.15.2 For an Interconnection Member that is a non-residential Member of the Cooperative proposing to interconnect a Generating Facility no larger than 500kW, the required coverage shall be comprehensive general liability insurance with coverage in the amount of at least \$300,000 per occurrence.
- 5.15.3 For an Interconnection Member that is a non-residential Member of the Cooperative proposing to interconnect a Generating Facility larger than 500 kW, the required coverage shall be comprehensive general liability insurance with coverage in the amount of at least \$1,000,000 per occurrence.
- 5.15.4 An Interconnection Member of sufficient credit-worthiness may propose to provide this insurance via a self-insurance program if it has a self-insurance program established in accordance with commercially acceptable risk management practices.

5.16 External Disconnect Switch (EDS)

In order to comply with the Final Rule of the Rural Utilities Service regarding the Interconnection of Distributed Resources (IDR) as codified at 7 C.F.R. Part 1730, Subpart C, the Cooperative requires that the Interconnection Facilities shall include a lockable disconnect and visible open EDS that is readily accessible to and operable by authorized Cooperative personnel at all times. The EDS is a manual load-break disconnect switch or safety switch with a clear visible indication of switch position between the Cooperative System and the Interconnection Member. The switch must have pad lock provisions for locking in the open position. The switch must be visible to, and accessible to, Cooperative personnel. The switch must be in close proximity to, and on the Interconnection Member's side of the point of electrical interconnection with, the Cooperative's System. The switch must be labeled "Generator Disconnect Switch." The switch may isolate the Interconnection Member and its associated load from the Cooperative 's System or disconnect only the Generator from the Cooperative 's System and shall be accessible to the Cooperative at all times. The Cooperative, in its sole discretion, determines if the switch is suitable and necessary.

Attachment 1 Glossary of Terms

25 kW Inverter Interconnection Process – The procedure for evaluating a request for Interconnection of Distributed Resources (IDR) for a certified inverter-based Generating Facility no larger than 25 kW that uses the Section 3 screens. The application process uses an all-in-one document that includes a simplified request for Interconnection for Distributed Resources, simplified procedures, and a brief set of Terms and Conditions.

Affected System – An electric system other than the Cooperative's System that may be affected by the proposed interconnection. The owner of an Affected System might be a Party to the Interconnection Agreement or other study agreements needed to interconnect the Generating Facility.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Business Day – Monday through Friday, excluding state holidays.

Commission – The North Carolina Utilities Commission. It should be noted that the Commission does not have regulatory authority over Cooperatives regarding Interconnection Agreements, Procedures and Forms. The Cooperative is governed by its Board of Directors, which approves Cooperative policies, service rules, regulations, procedures, and rates. As a borrower from the Rural Utilities Service (RUS) of the U.S. Department of Agriculture, the Cooperative is required to follow RUS rules and regulations and this Agreement meets the Final Rule of the "Interconnection of Distributed Resources" *74 Fed. Reg. 32406* (July 8, 2009) (Codified at 7 C.F.R. Part 1730, Subpart C).

Cooperative – The entity that owns, controls, or operates facilities used for providing electric service in its designated service area that the Interconnection Member is located.

Default – The failure of a breaching Party to cure its breach under the Interconnection Agreement.

Distributed Resources – Sources of electric power that are not directly connected to a bulk power transmission systems, having an installed capacity of not more than 10 MVA / 10 MW, connected to the Cooperative's electric power distribution system through a point of common coupling. Distributed resources include both generators of electricity and electric storage technologies.

Distribution System – The Cooperative's facilities and equipment used to transmit electricity to ultimate usage points such as homes and businesses from nearby generators or from interchanges with higher voltage transmission networks owned by so-called investor-owned utilities ("IOUs"), which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Cooperative's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the service necessary to allow the Generating Facility to operate in parallel with the Cooperative and to inject electricity onto the Cooperative's System. Distribution Upgrades do not include Interconnection Facilities.

Fast Track Process – The procedure for evaluating an Interconnection Request for a certified Generating Facility greater than 25 kW but no larger than 500kW that includes the Section 3 screens, member options meeting, and optional supplemental review.

Generating Facility – The Interconnection Member's Distributed Resource device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Member's Interconnection Facilities. Also see Distributed Resources.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Member, the Cooperative, or any affiliate thereof.

Interconnection Member – Any entity, including the Cooperative, which proposes to interconnect its Generating Facility with the Cooperative's System.

Interconnection Facilities – The Cooperative's Interconnection Facilities and the Interconnection Member's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Distributed Resource Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Cooperative's System. Interconnection Facilities are sole use facilities and shall not include Upgrades.

Interconnection Request – The Interconnection Member's request, in accordance with the interconnection procedures, to interconnect a new Distributed Resource Generating Facility, or to increase the capacity of, or make a Material Modification to, an existing Generating Facility that is interconnected with the Cooperative's System.

Material Modification – A modification to machine data or equipment configuration or to the interconnection site of the Generating Facility that has a material impact on the cost, timing or design of any Interconnection Facilities or Upgrades.

Network Upgrades – Additions, modifications, and upgrades to the Cooperative's Transmission System required to accommodate the interconnection of the Generating Facility to the Cooperative's System. Network Upgrades do not include Distribution Upgrades. Upgrades of this sort may be required for Generating Systems greater than 500kW but less than 10 MVA / 10 MW.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Reliability Organization, Independent System Operator, control area, or the Cooperative's requirements, including those set forth in the Interconnection Agreement.

Party or Parties – The Cooperative, Interconnection Member, and possibly the owner of an Affected System, or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Cooperative's System.

Prudent Utility Practice (PUP) – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. PUP is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region and the utility industry.

Queue Position – The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, which is established based upon the date and time of receipt of the valid Interconnection Request by the Cooperative and a demonstration of site control, if requested.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Interconnection Agreement, efforts that are timely and consistent with Prudent Utility Practices and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Renewable Energy Certificates (RECs) – Also known as Renewable Energy Credits or Green Tags, are tradable, non-tangible energy commodities that represent proof that 1 megawatt-hour (MWH) of electricity was generated from an eligible renewable energy resource. In North Carolina, the Commission has established a Renewable Energy Tracking System (NC RETS) to register and certify RECs produced from renewable energy projects providing one REC for every 1,000 kWh of electricity it produces and delivers to electric systems. These RECs are sold and traded separate from commodity electricity and the consumer/owner of the REC receives only a certificate. NC Green Power is an independent, non-profit organization that purchases RECs from small producers in the state.

Standard – The interconnection procedures, forms and agreements approved by the Cooperative for interconnection of Generating Facilities to the Cooperative's System in its service area.

Study Process – The procedure for evaluating an Interconnection Request that includes the Section 4 scoping meeting, feasibility study, system impact study, and facilities study.

System – The facilities owned, controlled or operated by the Cooperative that are used to provide electric service in its service area.

Transmission System – The transmission facilities owned, controlled or operated by the investor-owned utility to which Cooperative's System is interconnected.

Upgrades – The required additions and modifications to the Cooperative's System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 3 Certification Codes and Standards

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz)

IEEE 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)

IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers

IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment Connected to Low- Voltage (1000V and Less) AC Power Circuits

NEMA MG 1-1998, Motors and Small Resources, Revision 3

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision

1 NFPA 70 (2002), National Electrical Code

UL 1741, Inverters, Converters, Controllers and Interconnection System Equipment for Use With Distributed Energy Resources

These references include and incorporate by reference any updates or additions to the listed standards and these standards (or “families” of standards) shall apply to any future applications.

Attachment 4

Certification of Generator Equipment Packages

- 1.0 Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced below by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in Attachment 3 of the Interconnection Procedures, (2) it has been labeled and is publicly listed by such NRTL at the time of the Interconnection Request, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.
- 2.0 The Interconnection Member must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.
- 3.0 Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the Parties to the interconnection nor follow-up production testing by the NRTL.
- 4.0 If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Member must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.
- 5.0 Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the Interconnection Member's side of the point of common coupling shall be required to meet the requirements of the Interconnection Procedures.
- 6.0 An equipment package does not include equipment provided by the Cooperative.

Attachment 5
Interconnection Request for Interconnecting a Certified
Inverter-Based Generating Facility No Larger than 25 kW

This Interconnection Request is considered complete when it provides all applicable and correct information required below. Additional information to evaluate the Interconnection Request may be required.

Processing Fee

A non-refundable processing fee of \$100 for residential and \$250 for commercial must accompany this Interconnection Request.

If the Interconnection Request is submitted solely due to a transfer of ownership of the Generating Facility, the fee is \$100 for residential and \$250 for commercial.

Interconnection Member

Name: _____

Contact Person: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Night): _____

Telephone (Cell): _____ Fax: _____

E-Mail Address: _____

Contact (if different from Interconnection Member)

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Night): _____

Telephone (Cell): _____ Fax: _____

E-Mail Address: _____

Owner(s) of the Generating Facility: _____

Generating Facility Information

Location (if different from above): _____

Cooperative: _____

Account Number: _____

Inverter Manufacturer: _____ Model _____

Is the equipment UL 1741 Listed? Yes No

If Yes, attach manufacturer's cut-sheet/specifications showing UL 1741 listing for model.

Nameplate Rating: _____ (kW) _____ (kVA) _____ (AC Volts)

Single Phase _____ Three Phase _____

System Design Capacity: _____ (kW) _____ (kVA)

Prime Mover: Photovoltaic Reciprocating Engine Fuel Cell Micro Turbine

Other _____

Energy Source: Solar Wind Hydro Diesel Natural Gas Fuel Oil

Other (describe) _____

Is the equipment identified and listed as "Utility Interactive" when operated in conjunction with a voltage inverter that is UL 1741 Listed? Yes No

Estimated Installation Date: _____ Estimated In-Service Date: _____

The 25 kW Inverter Process is available only for inverter-based Generating Facilities no larger than 25 kW that meet the codes, standards, and certification requirements of Attachments 3 and 4 of the North Carolina Interconnection Procedures, or the Cooperative has reviewed the design or tested the proposed Generating Facility and is satisfied that it is safe to operate.

List components of the Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Interconnection Member Signature

I hereby certify that, to the best of my knowledge, the information provided in this Interconnection Request is true. I agree to abide by the Terms and Conditions for Interconnecting a Certified Inverter-Based Generating Facility No Larger than 25 kW and return the Certificate of Completion when the Generating Facility has been installed.

Signed: _____

Title: _____ Date: _____

Contingent Approval to Interconnect the Generating Facility (For Cooperative use only)

Interconnection of the Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting a Certified Inverter-Based Generating Facility No Larger than 25 kW and return of the Certificate of Completion.

Cooperative Representative Signature: _____

Title: _____ Date: _____

Interconnection Request ID number: _____

Cooperative waives inspection/witness test? Yes No

Attachment 9
STANDARD INTERCONNECTION AGREEMENT
CARTERET- CRAVEN ELECTRIC MEMBERSHIP CORPORATION

This STANDARD INTERCONNECTION AGREEMENT, (the "Agreement"), is entered into as of _____, 20____, (the "Effective Date"), by and between _____, hereinafter called "Member", and Carteret-Craven Electric Membership Corporation, hereinafter called "Cooperative". Member and Cooperative are hereinafter collectively referred to as the "Parties" or "Party." In consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. SCOPE OF AGREEMENT:

- (a) This Agreement relates solely to the conditions under which Cooperative and Member agree that Member's generation system and equipment, hereinafter the "Generator," and located at or near (address) _____

may be interconnected to and operated in parallel with Cooperative's electric system. This Agreement does not authorize Member to export power or constitute an agreement to purchase or wheel Member's power. Other services that Member may require from Cooperative shall be covered under separate agreements.

- (b) Cooperative will supply the electrical requirements of Member that are not supplied by Member's Generator. Such electric service shall be supplied to Member under Cooperative's rates schedules, and services regulations applicable to Member's class of service.

2. INTERCONNECTION:

- (a) Cooperative hereby authorizes Member to interconnect and commence operation under the terms of this Agreement on or after _____subject to Member having received Cooperative's written acceptance specified in 2(f) below.
- (b) Member's Generator must be manufactured, installed and operated in accordance with governmental and industry standards, including, but not necessarily limited to, standards referenced in Appendix A.
- (c) The nameplate output of the Generator is ____kW in the form of ____ phase wires, alternating current of 60 hertz frequency and at _____ volts.
- (d) The point of interconnection between Member and Cooperative hereunder will be _____.
- (e) Member shall not interconnect Member's Generator with Cooperative's electric system nor commence parallel operation of Member's Generator until both Parties have accepted this

Agreement and the requirements for interconnection stated in the Interconnection Standard have been met. Cooperative shall have the right and opportunity to have representatives present at the initial testing of Member's protective apparatus. Member shall notify Cooperative five (5) business days prior to the initial testing. In the event Member has interconnected Member's Generator without Cooperative's acceptance of this Agreement or the Generator has not met the requirements of the Interconnection Standard, Cooperative shall have the right to immediately isolate Member's premises and/or Generator from Cooperative's system until Cooperative's acceptance is granted and the requirements of the Interconnection Standard have been met.

- (f) Member shall not make any changes to the Generator output capacity and/or modification to the protection system required to meet the Interconnection Standard without notice to and written acceptance from Cooperative before making the changes to the Generator.
- (g) Isolation Device: Member shall install a manual load-break disconnect switch with a clear visible indication of switch position between Cooperative's electric system and Member's Generator. The Isolation Device shall be installed as specified in the Interconnection Standard.
- (h) Warning Label: Member will install a permanent warning label in a conspicuous place in close proximity to the electric meter or on the meter base to notify Cooperative personnel that there is a generator installed on the load side of the meter. The warning label shall not be placed in a location that would interfere with the ability of Cooperative personnel to read the electric meter. Member shall also place a warning label on the Isolation Device. Cooperative will provide the warning labels to Member. The warning labels must be in place before the Generator can be interconnected with Cooperative's system.

3. INTERCONNECTION COST: The cost to Member for all Cooperative owned and maintained facilities constructed and/or installed by Cooperative to accommodate the interconnection and safe operation of Member's Generator in parallel with Cooperative's electric system shall be determined in accordance with Cooperative's applicable Service Regulations.

4. RIGHT OF ACCESS AND EQUIPMENT INSTALLATION:

- (a) Access To Premises: The duly authorized agents of Cooperative shall have the right of ingress and egress to the premises of Member at all reasonable hours, over the same general route as Member utilizes, for the purpose of reading meters, inspecting Cooperative's wiring and apparatus, changing, exchanging, or repairing its property on the premises of Member and to remove such property at the time of or at any time after the suspension of interconnection of the Generator or termination of this Agreement. Cooperative shall have access to Member's Isolation Device at all times.

- (b) Cooperative's obligation to provide the interconnection as covered in this Agreement on the agreed upon Effective Date is contingent upon Cooperative receiving the rights-of-way and receiving the necessary equipment in sufficient time to install it on or before that date.

5. MAINTENANCE OF INTERCONNECTION FACILITIES: Member shall maintain Member's Generator and all related Member-owned protective equipment and facilities in a safe and prudent manner, conforming to all applicable laws and regulations. Member shall reimburse Cooperative for any and all losses, damages, claims, penalties or liability Cooperative incurs as a result of Member's failure to maintain the Generator, 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 Member's facility.

6. DISCONNECTION OF GENERATOR: Cooperative may isolate Member's premises and/or Generator from Cooperative's system when necessary in order to construct, install, repair, replace, remove, investigate, or inspect any of Cooperative's equipment or part of Cooperative's system; or if Cooperative determines that isolation of Member's premises and/or Generator from Cooperative's system is necessary because of emergencies, forced outages, Force Majeure or compliance with prudent electrical practices. Whenever feasible, Cooperative shall give Member reasonable notice of the possible isolation of Member's premises and/or Generator from Cooperative's system. Notwithstanding any other provision of this Agreement, if at any time Cooperative determines that either the Generator may endanger Cooperative's personnel or other persons or property, or the continued operation of Member's Generator may endanger the integrity or safety of Cooperative's electric system, Cooperative shall have the right to isolate Member's premises and/or Generator from Cooperative's system. It is agreed that Cooperative shall have no liability for any loss of sales 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 Member's premises and/or Generator from Cooperative's system per this Agreement. Cooperative shall expend reasonable effort to reconnect the Member's premises and/or Generator with the Cooperative's system in a timely manner.

7. PERMITS AND APPROVALS: Member shall obtain all environmental and other permits required by governmental authorities prior to construction, installation, and interconnection of the Generator. Member shall also maintain these applicable permits and compliance with these permits during the term of this Agreement.

8. INDEMNITY AND LIABILITY:

- (a) 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 hereunder, 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, special, incidental, consequential, or punitive damages of any kind.

- (b) Indemnification: The parties shall at all times indemnify, defend and save the other party harmless from any and all damages, losses, claims, including claims and actions relating to injury or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney's fees, and all other obligations by or to third parties, arising out of or resulting from the other party's action or inaction of its obligations hereunder on behalf of the indemnifying party, except in cases of gross negligence or intentional wrongdoing by the indemnified party.
- (c) The provisions of Section 8(a) shall not be construed to relieve any insurer of its obligations to pay any claims in accordance with the provision of any valid insurance policy.
- (d) If Member at any time fails to comply with the insurance provisions of this Agreement, Member shall, at its own cost, defend, save harmless and indemnify Cooperative, its directors, officers, employees, agents, assignees, and successors in interest from and against any and all loss, liability, damage, claim, cost, charge, demand, or expense of any kind or nature (including attorney fees and other costs of litigation) resulting from the death or injury to any person or damage to any property, including the personnel and property of Cooperative, its contractors, its customers, and/or the public to the extent that Cooperative would have been protected had Member complied with all such insurance provisions. The inclusion of this Section 8(d) is not intended to create any express or implied right in Member to elect not to provide any such required insurance.
- (e) Member shall be responsible for installing and maintaining devices adequate to protect against damages caused by irregularities or outages on Cooperative's system, regardless of the cause or fault, including devices to protect against voltage fluctuations and single phasing.

9. INSURANCE:

- (a) Member shall obtain and retain, for as long as its Generator is interconnected with the Cooperative's system, liability insurance which protects Member from claims for bodily injury and/or property damage. For a non-residential Member the minimum coverage shall be comprehensive general liability insurance with coverage at least \$300,000 per occurrence and for a residential Member the minimum coverage shall be at a standard homeowner's insurance policy with liability coverage in the amount of at least \$100,000 per occurrence. Prior to interconnection of the Generator with Cooperative's system, Member shall furnish a properly executed certificate of insurance to Cooperative clearly evidencing the required

coverage and any exclusions applicable to such coverage. The certificate shall provide that the insurance coverage shall not be canceled or modified unless and until Cooperative receives at least thirty (30) days prior written notice. Member shall further replace such certificates for policies expiring during the period its Generator is interconnected with Cooperative's system. Cooperative has the right to refuse to establish or continue the interconnection of Member's generation facility to Cooperative's system if such insurance is not in effect.

- (b) Insurance on the premises where the Member's Generator is located shall, by endorsement to the policy or policies, provide for thirty (30) days of written notice to Cooperative prior to cancellation, termination, alteration, or material change of such insurance.

10. FORCE MAJEURE: For purposes of this Agreement, Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, terrorism, insurrection, riot, fire, storm, flood or other extreme weather condition, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other caused beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

11. NON-WARRANTY: Cooperative's approvals given pursuant to this Agreement or actions taken hereunder shall not be construed as any warranty or representation to Member or any third party regarding the safety, durability, reliability, performance or fitness of Member's generation and service facilities, its control or protective devices or the design, construction, installation or operation thereof.

12. 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:

- (a) If Member desires to terminate the Agreement, Cooperative will agree to such termination if Cooperative is satisfied that Member no longer can operate Member's Generator in parallel with Cooperative's system at the premises and all bills for services previously rendered to Member, plus any applicable termination charges, have been paid. Cooperative may waive the termination charges if Cooperative has secured or expects to secure from a new occupant or operator of the premises an Agreement satisfactory to Cooperative for the interconnection to Cooperative for a term not less than the unexpired portion of Member's Agreement.
- (b) Cooperative, in addition to all other legal remedies, may either terminate the Agreement or suspend interconnection with Member (1) for any default or breach of Agreement by Member, (2) for failure to pay any applicable bills when due and payable, (3) for a condition

on Member's side of the point of interconnection actually known by Cooperative to be, or which Cooperative reasonably anticipates may be, dangerous to life or property, (4) if Member either fails to energize the Generator within 12 months of the Effective Date of this Agreement or permanently abandons the Generator, or (5) by giving the Member 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 Member's installation is exempted from the change or the Member complies with the change in a timely manner. No such termination or suspension, however, will be made by Cooperative without written notice delivered to Member, 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 12.(b)(3) above. Failure to operate the Generator for any consecutive 12 month period after the Effective Date shall constitute permanent abandonment unless otherwise agreed to in writing between the Parties.

13. GENERAL:

- (a) This Agreement and any other applicable documents are subject to changes or substitutions, either in whole or in part, as may be necessary to conform to applicable law. Unless specified otherwise, any such changes or substitutions shall become effective immediately and shall nullify all prior provisions in conflict therewith.
- (b) Headings: The descriptive headings of the various sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

14. ENTIRE AGREEMENT: This Agreement and the documents attached hereto constitute the entire Agreement between the Parties relating to the subject matter hereof, there being no other agreements or understandings, written or oral, other than those contained in this Agreement and the attachments hereto. This Agreement does not modify, change or impact any other agreement between the Parties relating to the supply of electric service, or the sale of, or purchase of, electric power.

15. 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.

16. ASSIGNMENT: Member shall not assign its rights nor delegate its duties under this Agreement without Cooperative's written consent. Any assignment or delegation Member makes without Cooperative's written consent shall not be valid. Cooperative shall not unreasonably withhold its consent to Member's assignment of this Agreement. An assignee or new customer must obtain Cooperative's written approval before any assignment shall occur. Member assumes the responsibility of ensuring a new customer or assignee is aware the new customer or assignee must obtain

Cooperative's written acceptance or the equipment must be removed or disabled to prevent future interconnection and/or operation.

17. 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.

18. GOVERNING LAW: This Agreement shall be governed under laws of the State of North Carolina.

19. 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 shall be deemed separate and independent, and the remainder of this Agreement shall remain in full force and effect.

20. 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.

21. CUSTOMER CERTIFICATION: By signing this Agreement below, Member hereby certifies that, to the best of Member's knowledge, all of the information provided to the Cooperative in connection with electric service, interconnection and/or sale pursuant to this Agreement is true and correct, and that Member has received and reviewed this Agreement.

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

Witness as to Member:

Member Name: _____
Print

By: _____
Signature

Title: _____

Date: _____

Accepted:

Carteret-Craven Electric Membership Corporation

By: _____
Signature

Title: _____

Date: _____

Appendix A
List of Applicable Standards

1. IEEE 929 – Recommended Practice for Utility Interface of Photovoltaic (PV) Systems, latest published edition)
2. IEEE 1547 – Standard for Interconnecting Distributed Resources with Electric Power Systems, latest published edition
3. IEEE 1547.1 –2005 Standard Conformance Test Procedures for Interconnection Distributed Energy Resources with Electric Power Systems
4. IEEE P1547.3 Draft: Guide for Monitoring, Information Exchange, and Control of Distributed Resources Interconnected with Electric Power Systems
5. UL 1741 – Inverters, Converters and Controllers for use in Independent Power Systems, latest published edition
6. NFPA 70 – National Electrical Code, latest published edition

**Certificate of Completion for Interconnecting a Certified Inverter-Based
Generating Facility No Larger than 25 kW**

Is the Generating Facility owner-installed? Yes No

Interconnection Member

Name: _____

Contact Person: _____

Address: _____

Location of the Generating Facility (if different from above) _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Telephone (Cell): _____ Fax: _____

E-Mail Address: _____

Electrician

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Telephone (Cell) _____ Fax: _____

E-Mail Address: _____

License Number: _____

Date Approval to Install Generating Facility granted by the Cooperative: _____

Interconnection Request ID Number: _____

Inspection

The Generating Facility has been installed and inspected in compliance with the local building/electrical code of _____

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

Print Name: _____

Date: _____

As a condition of interconnection, you are required to send/fax a copy of this form along with a copy of the signed electrical permit to the Cooperative (Information Below):

Name: Christian Wiedner, Energy Services Specialist

Company: Carteret-Craven Electric Cooperative

Address: 1300 Highway 24 West • PO Box 1490

Newport, NC 28570

Fax: 252-247-0235

E-mail: christianw@ccemc.com

Approval to Energize the Generating Facility (For Cooperative use only)

Energizing the Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting a Certified Inverter-Based Generating Facility No Larger than 25 kW.

Cooperative Representative Signature: _____

Title: _____ Date: _____

Terms and Conditions for Interconnecting a Certified Inverter-Based Generating Facility No Larger than 25kW

1.0 Construction of the Facility

The Interconnection Member (Member) may proceed to construct (including operational testing not to exceed two hours) the Generating Facility when the Cooperative approves the Interconnection Request and returns it to the Member.

2.0 Interconnection and Operation

The Member may interconnect the Generating Facility with the Cooperative's System and operate in parallel with the Cooperative's System once all of the following have occurred:

2.1 Upon completing construction, the Member will cause the Generating Facility to be inspected or otherwise certified by the appropriate local electrical inspector with jurisdiction, and

2.2 The Member returns the Certificate of Completion to the Cooperative, and

2.3 The Cooperative has either:

2.3.1 Completed its inspection of the Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by the Cooperative at a mutually acceptable date and time after receipt of the Certificate of Completion. The Cooperative will provide a written statement that the Generating Facility has passed inspection or notify the Member of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or

2.3.2 Waived, in writing, the right to inspect the Generating Facility.

2.4 The Cooperative has the right to disconnect the Generating Facility in the event of improper installation or failure to return the Certificate of Completion.

2.5 Revenue quality metering equipment must be installed and tested in accordance with applicable American National Standards Institute (ANSI) standards and all applicable regulatory requirements.

3.0 Safe Operations and Maintenance

The Member shall be fully responsible to operate, maintain, and repair the Generating Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.

4.0 Access

The Cooperative shall have access to the External Disconnect Switch and metering equipment of the Generating Facility at all times.

5.0 Disconnection

The Cooperative may temporarily disconnect the Generating Facility upon the following conditions:

5.1 For scheduled outages upon reasonable notice.

5.2 For unscheduled outages or emergency conditions.

5.3 If the Generating Facility does not operate in a manner consistent with these Terms and Conditions.

6.0 Indemnification

The Member shall at all times indemnify, defend, and save the Cooperative harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Member's (or that of its agents or representatives) action or inactions of its obligations hereunder.

7.0 Insurance

All insurance policies must be maintained with insurers authorized to do business in North Carolina. The Parties agree to the following insurance requirements:

- 7.1 If the Member is a residential Member of the Cooperative, the required coverage shall be a standard homeowner's insurance policy with liability coverage in the amount of at least \$100,000 per occurrence.
- 7.2 If the Member is a non-residential Member of the Cooperative, the required coverage shall be comprehensive general liability insurance with coverage in the amount of at least \$300,000 per occurrence.
- 7.3 The Member may provide this insurance via a self-insurance program if it has a self-insurance program established in accordance with commercially acceptable risk management practices.

8.0 Limitation of Liability

The Cooperative's liability to the Member for any loss, cost, claim, injury, or expense, including reasonable attorney's fees, relating to or arising from any act or omission hereunder, shall be limited to the amount of direct damage actually incurred. In no event shall the Cooperative be liable to the Member for any indirect, special, incidental, consequential, or punitive damages of any kind. Under no circumstances will the Cooperative be liable or responsible for lost profits, business interruption damages or costs, or damages associated with Member's inability to sell the electricity from the Generating Facility.

9.0 Termination

The agreement to interconnect and operate in parallel may be terminated under the following conditions:

9.1 By the Member

By providing written notice to the Cooperative and physically and permanently disconnecting the Generating Facility.

9.2 By the Cooperative

If the Generating Facility fails to operate for any consecutive 12-month period or the Member fails to remedy a violation of these Terms and Conditions.

9.3 Permanent Disconnection

In the event this Agreement is terminated, the Cooperative shall have the right to disconnect its facilities or direct the Member to disconnect its Generating Facility.

9.4 Survival Rights

This Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.

10.0 Assignment/Transfer of Ownership of the Facility

- 10.1 This Agreement shall not survive the transfer of ownership of the Generating Facility to a new owner.
- 10.2 The new owner must complete and submit a new Interconnection Request agreeing to abide by these Terms and Conditions for interconnection and parallel operations within 20 Business Days of the transfer of ownership.
- 10.3 The Cooperative will ordinarily not study or inspect the Generating Facility unless the new owner's Interconnection Request indicates that a Material Modification has occurred or is proposed.