



Distributed Generation Interconnection Agreement

Vernon Electric Cooperative
110 Saugstad Rd.
Westby, WI 54667

This Distributed Generation Interconnection Agreement (the "Agreement"), is made and entered into the _____(day) of _____(month), _____(year) by and between Vernon Electric Cooperative, hereinafter called "Vernon Electric" and _____, hereinafter called the "Applicant." Vernon Electric and the Applicant are hereinafter collectively referred to as the "Parties" and individually as a "Party."

Recitals

- A. Vernon Electric is the owner of the electric distribution system serving _____
[Insert legal description of property or address]
- B. Applicant desires to install a Distributed Generation (DG) Facility or energy storage device, including related interconnection equipment (the "DG Facility") and to interconnect the DG Facility to Vernon Electric's distribution system.
- C. Vernon Electric has previously reviewed and approved Applicant's DG Interconnection Application dated _____, and supporting materials (the "Application"). The completed Application is attached as Exhibit 1 and incorporated into the Agreement.
- D. Applicant wishes to interconnect the DG Facility to Vernon Electric's distributions system and Vernon Electric is willing to permit such interconnection subject to the terms and conditions set forth in: (1) Wisconsin Administrative Code Chapter PSC 119; (2) the completed Application approved by Vernon Electric; and (3) this Agreement.
- E. No agency or partnership is created with the interconnection of the applicants DG Facility.

Agreement

NOW THEREFORE, in consideration of the foregoing Recitals and for good and valuable consideration, Vernon Electric and Applicant agree as follow:

1. Design Requirements.

The DG Facility shall be installed in compliance with Wisconsin Administrative Code Chapter PSC 119.

2. Applicant's Representations and Warranties.

Applicant represents and warrants that:

- a. The DG Facility is fully and accurately described in the Application;
- b. All information in the Application is true and correct;
- c. The DG Facility has been installed to Applicant's satisfaction;
- d. Applicant has been given warranty information and an operation manual for the DG Facility; and
- e. Applicant has been adequately instructed in the operation and maintenance of the DG Facility.

3. Interconnection Disconnect Switch.

Vernon Electric may require that the Applicant furnish and install an interconnection disconnect switch that opens, with a visual break, all ungrounded poles of the interconnection circuit. The interconnection disconnect switch shall be rated for the voltage and fault current requirements of the DG Facility, and shall meet all applicable UL, ANSI, and IEEE standards, as well as applicable requirements of the Wisconsin Electrical Safety Code, Volume 2, Chapter Comm 16. The switch enclosure shall be properly grounded. The interconnections

disconnect switch shall be accessible at all time, located for ease of access to Vernon Electric personnel, and shall be capable of being locked in the open position. The Applicant shall follow Vernon Electric's recommended switching, clearance, tagging, and locking procedures.

4. Modifications to the DG Facility.

Applicant shall notify Vernon Electric of plans for any material modification to the DG Facility by providing at least twenty (20) working days advance notice for a DG Facility rated less than 20 KW, or forty (40) working days advance notice for a DG Facility rated greater than 20 KW but less than 15 MW. A "material modification" is defined as any modification that changes the maximum electrical output of the DG Facility or changes the interconnection equipment (e.g., changing from certified to non-certified devices or replacement of any component with a component of different functionality or UL listing). The notification shall consist of a completed, revised Application and such supporting materials as may be reasonably requested by Vernon Electric. Applicant agrees not to commence installation of any material modification to the DG Facility until Vernon Electric has approved the revised Application. Vernon Electric shall indicate its written approval or rejection of any revised Application within twenty (20) working days after it receives the completed application and all supporting materials.

5. Insurance.

Throughout the term of this Agreement, Applicant shall carry a liability insurance policy that provides protection against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of Applicant's ownership and/or operation of the DG Facility under this Agreement. The limits of such policy for a DG Facility 20 KW or less shall be at least \$300,000 per occurrence or prove financial responsibility by another method acceptable, and approved in writing, to Vernon Electric. The limits of such policy for a DG Facility greater than 20 KW but less than 200 KW shall be at least \$1,000,000 per occurrence or prove financial responsibility by another method acceptable, and approved in writing, to Vernon Electric. The failure of the Applicant or Vernon Electric to enforce the minimum levels of insurance does not relieve the Applicant from maintaining such levels of insurance or relieve Applicant of any liability. Prior to execution of the Agreement applicant shall provide Vernon Electric with a certificate of insurance containing a minimum 30-day notice of cancellation.

6. Indemnification

Subject to the limitations set forth in this Section, and to the extent allowable by law, each Party to this Agreement shall indemnify, hold harmless and defend the other Party, its officers, directors, employees and agents from and against any and all claims, suits, liabilities, damages, costs and expenses (including without limitation, reasonable attorneys and expert witness fees) for damage to property, or injury to, or death of, an individual, including the employees, officers, directors and agents of the indemnified Party or any other third parties, to the extent caused wholly or in part by the negligence or the intentional wrongdoing of the indemnifying Party. Notwithstanding anything in the Section or in any other provision of this Agreement to the contrary, the liability of each Party to this Agreement shall be limited to direct actual damages, and all other damages at law or in equity are hereby waived. Under no circumstances shall a Party be liable to the other Party, whether in tort, contract or other basis in law or equity for any special, indirect, punitive, exemplary, or consequential damages, including lost profits. Applicant's and Vernon Electric's indemnification obligations under this Section and the limits upon their respective liability shall continue in full force and effect notwithstanding the expiration or termination of this Agreement with respect to any event or condition giving rise to an indemnification obligation that occurred prior to such expiration or termination.

7. DG Facility Commissioning Testing.

Applicant shall notify Vernon Electric in writing that installation of the DG Facility is complete and that the interconnection equipment is available for testing by Vernon Electric at least fifteen (15) working days before Applicant interconnects the DG Facility with Vernon Electric's Distribution System. Vernon Electric shall thereupon have the right to test the DG Facility. Vernon Electric shall also have the right to witness any testing by Applicant of the DG Facility. Any Vernon Electric testing of the DG Facility shall be completed within ten (10) working days. If Vernon Electric waives its right to test the installed DG Facility by notifying Applicant in accordance with this Section, Applicant may interconnect the DG Facility to Vernon Electric's Distribution System upon the earlier to occur of the following: (a) notification by Vernon Electric; or (b) fifteen (15) working days after Applicant has notified Vernon Electric that installation of the DG Facility is complete.

8. Access to DG Facility.

Applicant shall permit (and, if the land on which the DG Facility is located is not owned by Applicant, cause such landowner to permit) Vernon Electric's employees and agents to enter the property on which the DG Facility is located at any reasonable time for the purposes of inspecting and/or testing Applicant's DG Facility to insure its continued safe and satisfactory operation and the accuracy of Vernon Electric's meters. Such inspections shall not relieve Applicant from its obligation to maintain the DG Facility and any related equipment owned by Applicant in safe and satisfactory operating condition.

Vernon Electric shall have the right to witness any testing by Applicant of the DG Facility.

9. Disconnection of a DG Facility to Permit Maintenance and Repairs.

Upon reasonable notice by Vernon Electric, Applicant shall disconnect the DG Facility to permit Vernon Electric to perform routine repairs and maintenance to Vernon Electric's Distribution System, or to install modifications thereto.

10. Disconnection of a DG Facility without Notice.

When Vernon Electric so requests, Applicant shall discontinue operation of the DG Facility and Vernon Electric may isolate the DG Facility from Vernon Electric's Distribution System, upon any of the following

- a. Termination of this Agreement;
- b. If, in Vernon Electric's reasonable judgment, the DG Facility fails to comply with the Design Requirements specified in Wisconsin Administration Code §§ PSC 119.20 and PSC 119.25.
- c. In the event of and emergency on Vernon Electric's Distribution System; or
- d. Upon any other breach of this Agreement by Applicant (a "Default"), that Applicant fails to remedy within ten (10) working days after receipt of written notice from Vernon Electric.

In the event of such disconnection, pursuant to b, c, or d above, the DG Facility shall remain isolated from Vernon Electric's Distribution System until, in the reasonable judgment of Vernon Electric, the DG Facility meets the Design Requirements, Applicant has cured any Default, and Vernon Electric's Distribution System is functioning in a safe manner. If Applicant fails to cure a Default within sixty (60) working days, Vernon Electric shall further have the right to terminate this Agreement without liability to Applicant for such termination.

11. Disputes; Right to Appeal.

Nothing in this agreement prevents Applicant from filing a request with the Board of Directors to appeal any requirement imposed by Vernon Electric as a condition to interconnection of DG Facility, that Applicant alleges is unreasonable.

12. Amendments; Non-Waiver.

Any amendment or modification to this Agreement must be in writing and executed by Applicant and Vernon Electric. The failure of Applicant or Vernon Electric to insist on performance by the other Party of any provision of this Agreement shall not waive the right of the Party who failed to insist on performance to enforce the same provision at a later time.

13. Term of Agreement

This Agreement shall become effective immediately upon the execution, by the Parties, and shall continue in effect until terminated by any of the following:

- a. Mutual written agreement of the Parties;
- b. Abandonment or removal of the DG Facility by Applicant;
- c. By Vernon Electric pursuant to Section 10 of this Agreement;
- d. By Applicant upon thirty (30) working days prior written notice given to Vernon Electric.

14. Successors and Assigns.

- a. Assignment by Applicant. Applicant shall not assign its rights and obligations under this Agreement in whole or in part without the prior written consent of Vernon Electric, which consent shall not be unreasonably withheld or unduly delayed. Vernon Electric may withhold its consent to any proposed assignment if the proposed assignee fails to assume the obligations of Applicant under this Agreement in writing.
- b. Assignment by Vernon Electric. Vernon Electric shall have the right to assign this Agreement in whole upon written notification to the Applicant.
- c. Successors. This Agreement shall be binding upon the personal representatives, heirs, successors, and permitted assigns of the respective Parties.

15. Applicant and Vernon Electric Signature.

IN WITNESS WHEREOF, Applicant and Company have executed this Agreement as of the year and date first set forth above.

Applicant Signature _____

Title _____ Date _____

Vernon Electric _____

Title _____ Date _____