

EGYPTIAN ELECTRIC COOPERATIVE ASSOCIATION

AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION

This Interconnection Agreement (“Agreement”) is made and entered into this ____ day of _____, _____, by Egyptian Electric Cooperative Association, (“Cooperative”), a corporation organized under the laws of Illinois, and _____ (“Member”), each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties”.

In consideration of the mutual covenants set forth herein, and other good and valuable consideration, the sufficiency and receipt thereof is hereby acknowledged, the Parties agree as follows:

1. Scope of Agreement

This Agreement addresses the conditions under which the Cooperative and Member agree that one or more generating facilities (herein “Distributed Generation”), more particularly described in Exhibit A, owned and/or operated by Member with a Nameplate Capacity of less than 40 kW, can be interconnected at 120/240(V) or less (collectively hereafter sometimes referred to as the “Facilities”) to the Cooperative’s electric power distribution system (hereafter sometimes referred to as the “System”). This Agreement shall not entitle the Member to electric service beyond the terms of a separate membership agreement for service and to the Cooperative’s rules, policies, regulations, by-laws and rates (hereafter collectively “Rules”).

2. Establishment of Point of Interconnection

Cooperative and Member agree to interconnect the Facilities at the location(s) specified in Exhibit A “Point of Interconnection” in accordance with the terms of the Cooperative’s policy on Interconnection and Parallel Operation of Distributed Generation and the Institute of Electrical and Electronic Engineers (IEEE) Standards 1547, 1547.1 and UL Standard 1741.

3. Responsibilities of Cooperative and Member for Installation, Operation and Maintenance of Facilities

Member will, at its own cost and expense, install, operate, maintain, repair, and inspect, and shall be fully responsible for, its Facilities and Interconnection Facilities, unless otherwise specified on Exhibit A. Member shall conduct operations of its Facilities and Interconnection Facilities in compliance with all aspects of the Rules and in accordance with industry standard prudent engineering practice. The Cooperative shall conduct operations of its electric distribution facilities in compliance with all aspects of the Rules, or as further described and mutually agreed to in the applicable Facilities Schedule attached hereto as Exhibit A. Maintenance of Facilities and Interconnection Facilities shall be performed in accordance with the applicable manufacturers’ recommended maintenance schedule. The Member agrees to cause its Facilities and Interconnection Facilities to be constructed in accordance with Egyptian Electric Cooperative Association’s policy 509. The Cooperative shall have the right to inspect and require changes to the Member’s Facilities and Interconnection Facilities prior to connecting the Member’s Facilities and Interconnection Facilities to the Cooperative’s System. Phase, frequency and voltage of the member’s interconnected generation shall be compatible with that provided by the Cooperative.

Member shall comply with, and accept all responsibility for complying with, all applicable laws, regulations, zoning codes, building codes, safety rules and environmental restrictions applicable to the design, installation, operation and maintenance of its Facilities and Interconnection Facilities.

The Cooperative will notify Member if there is evidence that the facilities’ or interconnection facilities’ operation causes disturbance, disruption or deterioration of service to other members served from the System or if the Facilities’ or Interconnection Facilities’ operation causes damage to the System. If this condition persists, the Cooperative shall have the right to disconnect Member from the System. Member will notify the

Cooperative of any emergency or hazardous condition or occurrence with Member's Facilities or Interconnection Facilities which could affect safe operation of the System.

4. Operator in Charge

Member shall provide a phone number and address of an individual contact person that has knowledge of this agreement that is familiar with the installation, maintenance and operation of the Facilities or Interconnection Facilities and has the authority to disconnect the facility from the System in the event the Cooperative requires doing so.

5. No Power Sales to Cooperative

Interconnection of the Facilities with the System does not grant the Member the right to export power nor does it constitute an agreement by the Cooperative to purchase or wheel excess power. Purchase of excess facility capacity is governed by the Cooperative Purchase of Excess Member Owned Generation Capacity Policy, EECA policy 515.

6. Limitation of Liability and Indemnification

- a. Notwithstanding any other provision in this Agreement, with respect to the Cooperative's provision of electric service to Member and the services provided by the Cooperative pursuant to this Agreement, Cooperative's liability to Member shall be limited as set forth in the Cooperative's rules, bylaws, policies, contracts, and terms and conditions for electric service, which are incorporated herein by reference, and in no event shall the Cooperative be liable for loss of profit, loss of operation time, or loss of or reduction in use of any facilities or any portion thereof, increased expense of construction, operation or maintenance, or for any special, indirect, incidental, or consequential damages resulting from the construction, operation or maintenance of the member's Facilities and Interconnection Facilities.
- b. For the purposes of this Agreement, a Force Majeure event is any event beyond the reasonable control of the affected party that the affected party is unable to prevent or provide against by exercising reasonable diligence. This includes but is not limited to public disorder, rebellion or insurrection, floods, hurricanes, earthquakes, lightning, storms or other natural calamities, explosions or fires, strikes, work stoppages or labor disputes, embargoes, and sabotage. If a Force Majeure event prevents a party from fulfilling any obligations under this Agreement, such party will promptly notify the other party in writing and will keep the other party informed on a continuing basis as to the scope and duration of the Force Majeure event. The affected party will specify the circumstances of the Force Majeure event, its expected duration and the steps that the affected party is taking to mitigate the effect of the event on its performance. The affected party will be entitled to suspend or modify its performance of obligations under this Agreement but will use reasonable efforts to resume its performance as soon as possible.
- c. Member shall be responsible for the safe installation, maintenance, repair and condition of lines, wires, switches, or other equipment or property on its side of the point of interconnection. The Cooperative does not assume any duty of inspecting Member's lines, wires, switches, or other equipment or property and will not be responsible therefore. Member assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the point of interconnection.
- d. Member shall indemnify and hold the Cooperative harmless from and against any claim, cost, loss, damage or expense arising out of the Member's obligations under this agreement.

7. Testing and Testing Records

Member shall perform or cause to be performed such tests as the Cooperative may reasonably require and shall provide to the Cooperative all records of testing. Testing of protection systems shall comply with existing industry standards and practices. These records shall include testing at the start of operation and periodic testing thereafter. Factory testing of pre-packaged interconnection facilities and the protective systems of small units

shall be acceptable in the absence of reasonable grounds for additional testing. In the case of a factory test, Member shall provide a written description and certification by the factory of the test, the test results, and the qualification of any independent testing laboratory. In addition, Member shall obtain approval by the Cooperative of the settings of the equipment being installed prior to operation.

8. Right of Access, Equipment Installation, Removal & Inspection

The Cooperative shall have free access to the member's small generation facility and interconnection equipment at all times to monitor operation of the member's equipment, Cooperative-supplied service equipment connected to such system, or to disconnect for good cause, without prior notice to the member, member's equipment from the Cooperative's distribution system.

The Cooperative shall also have access to Member's premises and to operational records for any reasonable purpose in connection with the interconnection described in this Agreement, the Requirements, or to provide service to its members.

9. Disconnection of Facilities

Member retains the option to disconnect its facilities from the System, provided that Member notifies the Cooperative of the member's intent to disconnect by giving the Cooperative at least thirty (30) days' prior written notice. Such disconnection shall not be a termination of this Agreement unless Member exercises rights under Section 12 that do not lead to a resolution of the issue.

Member shall disconnect Facilities from the System upon the effective date of any termination resulting from and required by actions under Section 12.

The Cooperative may disconnect the electric generation facilities from its system whenever, in the sole opinion of the Cooperative, such action is required by an emergency, for reasons of safety or due to interference with service to other members. The facility shall also be subject to the Cooperative's requirements for maintaining voltage standards of output and the production of reactive power.

10. Metering

The Cooperative shall be reimbursed for all costs of interconnection, including all carrying and metering costs, incurred by the Cooperative in connecting the member generation facility to the distribution system. Metering shall meet accuracy standards required for equivalent electrical services and can be accomplished with standard meters or any devices that meet data collection and accuracy requirements. The Member shall, install and maintain a secondary meter base and allow the Cooperative to install and maintain a meter to measure all energy produced by the interconnected system.

11. Insurance

Throughout the term of this agreement, Member shall carry a liability insurance policy issued by a licensed insurance carrier with an A. M. Best rating of B+ or better that provides protection against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of the member's ownership and/or operation of the Distributed Generation Facility under this agreement. The limits of such policy for a small generation facility shall be at least \$1,000,000 per occurrence. The member shall provide a certificate of insurance containing a minimum 30 day notice of cancellation to the Cooperative prior to connection of the member's facility to the Cooperative system.

12. Effective Term and Termination Rights

This Agreement becomes effective when executed by both Parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Member may terminate this Agreement at any time by giving the Cooperative at least sixty (60) days' written notice; (b) Cooperative may terminate upon failure by Member

to generate energy from the Facilities within six (6) months after completion of the interconnection; (c) either Party may terminate by giving the other Party at least thirty (30) days prior written notice that the other Party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, regulation, contract, or policy of the Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) Cooperative may terminate by giving Member at least sixty (60) days' notice in the event that there is a material change in an applicable law, or any change in policy or procedure pertaining to Distributed Generation by the Cooperative's wholesale electric supplier or requirement of any transmission utility, independent system operator or regional transmission organization having responsibility for the operation of any part of the System; (e) Cooperative may terminate this Agreement upon three (3) business days' notice in the event Member ceases to receive electric service from Cooperative or is in default of terms or conditions for electric service; in the event that a Party (i) makes a general assignment or arrangement for the benefit of creditors; (ii) commences an action or proceeding under any bankruptcy, insolvency or similar law for the protection of debtors or creditors, or has commenced against it any such action or proceeding which is not withdrawn or dismissed within thirty (30) days; (iii) otherwise is adjudicated a debtor in bankruptcy or insolvent; (iv) is unable (or admits in writing its inability) generally to pay its debts as they become due; (v) is dissolved or has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, acquisition or merger); (vi) seeks or becomes subject to the appointment of an administrator, assignee, conservator, receiver, trustee or similar official for substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has all, or has substantially all of its assets become subject to an attachment, execution, levy, sequestration or other legal process which is not dismissed discharged, stayed or restrained within thirty (30) days; (viii) causes or is subject to any event that has an effect analogous to any of the events enumerated in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicates its consent to, approval of, or acquiescence in any of the foregoing acts or events; then, in such event, this Agreement shall terminate automatically without notice and without any other action by either Party.

13. Compliance with Laws, Rules and Tariffs

Member shall be responsible for complying with all federal, state and local laws. In the event Member's facilities, interconnection or disposition of electricity generated by the Distributed Generation are, or become, subject to Federal, State or local regulation, Member is, and shall be, responsible for regulatory compliance. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the Rules and the Cooperative's policies governing interconnection of Distributed Generation. The Cooperative reserves the right to change the Rules and policies at any time.

14. Severability

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

15. Amendment

This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties.

16. Entirety of Agreement and Prior Agreements Superseded

This Agreement, including the requirements contained in the attached Exhibits and Facilities Schedules, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Points 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 for herein or in Member's application, or other written information provided by the Member in compliance with these requirements.

17. Assignment

This Agreement may be assigned to a party receiving electric service from the Cooperative at the site of the Facilities only upon the express written consent of the Cooperative. The assignee will be responsible for the proper operation and maintenance of the Facilities, and must agree in writing to be subject to all provisions of this Agreement. Cooperative may assign the Agreement to another entity without the approval of Member.

Notices – Notices given under this Agreement are deemed to have been duly delivered once received by United States certified mail, return receipt requested, postage prepaid, to:

(a) If to Cooperative:

Egyptian Electric Cooperative Association
Attn: Engineering Manager
1732 Finney Road
Murphysboro, Illinois 62966

(b) If to Member:

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

18. Invoicing and Payment

Invoicing and payment terms for services associated with this Agreement shall be consistent with applicable Cooperative policies. In accordance with Policy 515 member shall select from one of two Annual Periods, one ending with the April bill or one ending with the October bill.

April Annual Period

October Annual Period

19. No PURPA Interconnection

The parties agree that the member’s facility is not a qualifying small power production facility or qualifying cogeneration facility as defined in the Public Utility Regulatory Policies Act of 1978 and that nothing herein confers any rights or obligations on either party by application of that Act.

20. No Third Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties.

21. Waiver

The failure of either party to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights or duties of the provisions in this Agreement.

22. Governing Law and Jurisdiction

It is agreed that this Agreement shall be construed and governed in accordance with the laws of the State of Illinois and that the circuit court of the County where the qualified facility is located or the United States District Court for the Southern District of Illinois has jurisdiction on all matters relating to the enforcement of this Agreement.

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

[Egyptian Electric Cooperative Association]

[MEMBER NAME]

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

EXHIBIT A: LIST OF FACILITIES SCHEDULES AND POINTS OF INTERCONNECTION

Attach copy of following documents:

- A) Application*
- B) One Line Diagram*
- C) Certificate of Completion*
- D) Copy of Insurance policy*