

Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 25kW

1.0 Construction of the Facility

The Interconnection Member (the "Member") may proceed to construct (including operational testing not to exceed two hours) the Small Generating Facility when Caney Valley Electric Cooperative Assn., Inc. (the "Cooperative") approves the Interconnection Request (the "Application") and returns it to the Member.

2.0 Interconnection and Operation

The Member may operate Small Generating Facility and interconnect with the Cooperative's electric system once all of the following have occurred:

2.1 Upon completing construction, the Member will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring 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 Small 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 its own expense, within ten business days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. The Cooperative shall provide a written statement that the Small Generating Facility has passed inspection or shall 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 If the Cooperative does not schedule an inspection of the Small Generating Facility within ten business days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise); or

2.3.3 The Cooperative waives the right to inspect the Small Generating Facility.

2.4 The Cooperative has the right to disconnect the Small 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 ANSI standards.

3.0 Safe Operations and Maintenance

The Member shall be fully responsible to operate, maintain, and repair the Small 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 disconnect switch (if the disconnect switch is required) and metering equipment of the Small Generating Facility at all times. The Cooperative shall provide reasonable notice to the Member when possible prior to using its right of access.

5.0 **Disconnection**

The Cooperative may temporarily disconnect the Small 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 Small Generating Facility does not operate in the manner consistent with these Terms and Conditions.
- 5.4 The Cooperative shall inform the Member in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

6.0 **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 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 other Party's action or inactions of its obligations under this agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.0 **Insurance**

The Parties agree to follow all applicable insurance requirements imposed by the state in which the Point of Interconnection is located. All insurance policies must be maintained with insurers authorized to do business in that state.

8.0 **Limitation of Liability**

Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.0.

9.0 **Termination**

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

9.1 **By the Member**

By providing written notice to the Cooperative.

9.2 **By the Cooperative**

If the Small Generating Facility fails to operate for any consecutive 12 month period or the Memberer 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 Small 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**

This Agreement shall survive the transfer of ownership of the Small Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the Cooperative.