

**STANDARD INTERCONNECTION AGREEMENT**  
**Lumbee River Electric Membership Corporation**

This STANDARD INTERCONNECTION AGREEMENT, (the "Agreement"), is entered into as of \_\_\_\_\_, 20\_\_\_\_, (the "Effective Date"), by and between, \_\_\_\_\_ hereinafter called "Interconnection Customer" or "Developer," and Lumbee River Electric Membership Corporation herein after called "Cooperative". Interconnection Customer and Cooperative are hereinafter collectively referred to as the "Parties" or individually referred to as "Party." In consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. Scope and Limitations of Agreement

1.1. Purpose

This Agreement relates solely to the conditions under which Cooperative and Interconnection Customer agree that Interconnection Customer's generation system and equipment, hereinafter the "Generator" or "Generating Facility," will interconnect with and operate in parallel with the Cooperative's electric power distribution system, hereinafter the "System."

1.2. No Agreement to Purchase or Deliver Power or RECs

This Agreement does not constitute an agreement to purchase or wheel Interconnection Customer's power, nor is it an agreement to purchase Renewable Energy Certificates (RECs) produced from Interconnection Customer's Generator. The purchase or delivery of power, RECs that might result from the operation of the Generating Facility, and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable utility.

1.3. Electrical Requirements

Cooperative will supply the electrical requirements of Interconnection Customer that are not supplied by Interconnection Customer's Generator. Such electric service shall be supplied to Interconnection Customer under Cooperative's rates schedules, and service regulations applicable to Interconnection Customer's class of service.

1.4. Limitations

Nothing in this Agreement is intended to affect any other agreement between the Parties.

## 1.5. Responsibilities of the Parties

- 1.5.1. The Parties shall perform their obligations in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2. The Interconnection Customer, at its own expense, shall construct, interconnect, operate and maintain its Generator and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, in accordance with this Agreement, Good Utility Practice, and with governmental and industry standards for prudent engineering practices, including, but not limited to, the published standards referenced in Appendix A.
- 1.5.3. The Cooperative shall construct, operate, and maintain its System and Cooperative's Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4. The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the systems or equipment of the Cooperative or Affected System. For purposes of this Agreement, Cooperative's System includes but is not limited to any pre-existing Integrated Volt/VAR Control (IVVC) or Conservation Voltage Reduction (CVR) program.
- 1.5.5. Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Appendices to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of its lines and appurtenances on its side of the Point of Interconnection. The Cooperative and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Cooperative's System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Appendices to this Agreement.
- 1.5.6. The Cooperative shall coordinate with all Affected Systems to support the interconnection.
- 1.5.7. If an inverter is used, the Interconnection Customer shall install an inverter

that operates in accordance with the IEEE 1547 series (or “family”) of published standards. To the extent not mandated by the IEEE 1547 series of published standards, the inverter shall be capable of performing “frequency ride through” and “voltage ride through,” and the inverter’s settings shall be capable of being set remotely.

1.5.8. Notwithstanding Section 1.5.7. above, the Interconnection Customer shall work with the Cooperative to determine whether any inverter settings should be altered or disabled based on Good Utility Practice and the results of the Studies performed under Section 1.6.

1.5.9. If an inverter is used, the Interconnection Customer shall make Reasonable Efforts to secure the inverter from any unauthorized access (including physical and remote access) which could alter settings or adversely affect the inverter’s ability to operate as required. Security measures should include, but are not limited to, utilizing secure password settings and/or physical locks on cabinet doors.

#### 1.6. Studies/Cooperation

Interconnection with the Cooperative’s System is contingent upon completion of all required engineering and transmission studies and processes necessary and advisable in the course of determining the impact of the Generator on the systems of the Cooperative and its transmission provider (the “Studies”). Interconnection Customer agrees to provide full and complete cooperation with the Cooperative, its wholesale power provider, if applicable, transmission provider and any Affected System, to facilitate the Studies.

#### 1.7. Interconnection

The cost to Interconnection Customer for all Cooperative owned and maintained facilities constructed and/or installed by Cooperative to accommodate the interconnection and safe operation of Interconnection Customer’s Generator in parallel with Cooperative’s System shall be determined in accordance with Cooperative’s applicable Service Regulations. To the extent not specifically addressed in the Cooperative’s Service Regulations, any charges or costs necessary for required upgrades to the Cooperative’s system identified in the Studies or otherwise necessary to accept the Generator’s production shall at all times remain the financial responsibility of the Interconnection Customer, and may be charged separately if and as incurred.

1.7.1. The Cooperative will notify Interconnection Customer if there is evidence that operation of Generator or the Interconnection Customer’s Interconnection Facilities have caused or are causing damage to the System or disruption or deterioration of service to other customers served from the System. Even if Interconnection Customer’s operation and maintenance of the Generator is in

accordance with the standard outlined above, Interconnection Customer shall reasonably cooperate with the Cooperative to resolve issues covered in such notification of disruption, deterioration, or damage.

1.7.2. Interconnection Customer will notify the Cooperative of any emergency or hazardous condition or occurrence with the Generator or Interconnection Facilities that could interfere with safe operation of the System.

1.7.3. The nameplate output of the Generator is \_\_\_\_\_ kW in the form of \_\_\_\_\_ phase, wires, alternating current of 60 hertz frequency and at \_\_\_\_\_ volts.

1.7.4. Interconnection Customer agrees to interconnect the Generator at the Point of Interconnection in accordance with the Cooperative's rules, regulations, by-laws, and rates which are incorporated herein by reference.

## 1.8. Parallel Operation Obligations

1.8.1. Interconnection Customer shall not make any changes to the Generator output capacity and/or modify the protection system required to meet the requirements of the Agreement (such as the various engineering standards cited herein) without prior notice to and written acceptance from Cooperative.

1.8.2. Isolation Device: Interconnection Customer shall install a manual load-break disconnect switch with a clear visible indication of switch position between Cooperative's electric system and Interconnection Customer's Generator. The Isolation Device shall be installed as specified in the applicable engineering standards.

1.8.3 Warning Label: Interconnection Customer 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. Interconnection Customer shall also place a warning label on the Isolation Device. The warning labels must be in place before the Generator can be interconnected with Cooperative's System.

1.8.4. Once the Interconnection Customer's Generator has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Generator, including, but not limited to the Operating Requirements set forth in Appendix F of this Agreement.

1.8.5. Reactive Power and Voltage Control: The Interconnection Customer shall design its Generator and Interconnection Facilities to maintain a composite

power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 lagging to 1.0 unity. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed or switched capacitors, or a combination of the two.

- 1.8.6. Parties should note that the inverter should be set to reflect the required power factor at the Point of Interconnection and not necessarily at the inverter due to the impact of long lengths of conductor or step-up transformation.

## 1.9. Metering, Control, and Data Acquisition

- 1.9.1. The Developer, or if otherwise agreed, the Cooperative, shall install and maintain such metering equipment as may be necessary to meter the electrical output of the Generator for purposes of the Power Purchase Agreement (PPA) with the Cooperative's wholesale power provider. The Cooperative shall install and maintain such metering equipment as may be necessary to meter the electric service provided by the Cooperative to the Generator facilities and, unless otherwise agreed, output of the Generator for purposes of the PPA with the Cooperative. In certain instances, and at the discretion of the Cooperative, the same meter may be used for both purposes. The Cooperative and Interconnection Customer shall endeavor to work with the Cooperative's wholesale power provider, to implement an effective metering arrangement. Metering shall meet accuracy standards required for equivalent electrical services, using standard meters or any devices that meet data collection and accuracy requirements.
- 1.9.2. Telemetry: The Developer shall purchase, own, install, and maintain any equipment necessary to provide real-time kW, kVAR, and kV data as required under the PPA.
- 1.9.3. The Developer shall purchase, own, install, and maintain such relaying and control equipment as may be necessary to monitor and control the electrical output of the Generator, including the power factor required by Section 1.8.5. above.
- 1.9.4. All costs for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and telemetry equipment required under the PPA shall be borne by the Interconnection Customer.

## 1. Inspection, Testing, Authorization, and Right of Access

### 2.1. Equipment Testing and Inspection

- 2.1.1. Interconnection Customer shall not interconnect Interconnection Customer's

Generator with the System nor commence parallel operation of Interconnection Customer's Generator until both Parties have accepted this Agreement and the requirements for interconnection stated in this Agreement have been met. The Interconnection Customer shall test and inspect its Generator site and Interconnection Facilities prior to interconnection. If an inverter is used, it shall be set as required in Sections 1.5.8. and 1.8.5. and subjected to testing and inspection under this section. Cooperative shall have the right and opportunity to have representatives present at the testing of Interconnection Customer's Generator. The Cooperative may, at its own expense, send qualified personnel to the Generator site to inspect the interconnection and observe the testing. Unless otherwise agreed to in writing, the Interconnection Customer shall notify the Cooperative of such activities no fewer than 10 Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. In the event Interconnection Customer has interconnected Interconnection Customer's Generator without Cooperative's acceptance of this Agreement or the Generator has not met the requirements of this Agreement, Cooperative shall have the right to immediately isolate Interconnection Customer's premises and/or Generator from Cooperative's System until Cooperative's acceptance is granted and the requirements of the Agreement have been met.

- 2.1.2. The Interconnection Customer shall provide the Cooperative all records of testing. Testing of protection systems for intermediate and large units shall be limited to records of compliance with standard acceptance procedures and by industry standards and practices. These records shall include testing at the start of commercial operation and periodic testing thereafter. Factory testing of pre-packaged Interconnection Facilities and the protective systems of small units shall be acceptable. In the case of a factory test, the Interconnection Customer needs to 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, the settings of the equipment being installed are to be approved by the Cooperative prior to operation.

## 2.2. Right of Access

### 2.2.1. Access to Premises:

The Cooperative's authorized agents shall have the right of ingress and egress to Interconnection Customer's premises, as needed over the same general route as Interconnection Customer utilizes, for the purpose of reading meters, inspecting Cooperative's wiring and apparatus, changing, exchanging, or repairing its property on the premises of Interconnection Customer, 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, or for any other reasonable purpose in connection with the interconnection described in this Agreement, or to provide service to its customer/members. Cooperative shall have access to Interconnection Customer's Isolation Device at all times.

- 2.2.2. Interconnection Customer shall identify an individual (by name or title) who will perform as "Designated Operating Representative" of the Generator and the Customer's Interconnection Facilities. This individual must be familiar with this Agreement as well as any other agreements, laws or regulations that may apply. A contact list is provided in Appendix B and can be modified without the need for execution of a new Interconnection Agreement by completing a new form and filing with the Cooperative.
- 2.2.3. Cooperative's obligation to provide the interconnection as covered in this Agreement is contingent upon Cooperative receiving the rights-of-way and receiving the necessary equipment in sufficient time to install it on or before the Effective Date.

### 3. Effective Date, Term, Termination, and Disconnection

#### 3.1. Effective Date

This Agreement becomes effective when executed by both Parties and shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for successive one-year periods thereafter, unless terminated in accordance with Section 3.2.

#### 3.2. Termination

The Agreement may be terminated in accordance with the following:

- 3.2.1. If Interconnection Customer desires to terminate the Agreement it must provide the Cooperative 20 Business Days written notice. Cooperative will agree to such termination if Cooperative is satisfied that Interconnection Customer no longer can operate Interconnection Customer's Generator in parallel with Cooperative's System at the premises and all bills for services previously rendered to Interconnection Customer, 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 Interconnection Customer's Agreement.
- 3.2.2. Cooperative, in addition to all other legal remedies, may either terminate the Agreement or suspend interconnection with Interconnection Customer (1) for any Default or breach of Agreement by Interconnection Customer, (2) for failure to pay any applicable bills when due and payable, (3) for a condition on Interconnection Customer'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 Interconnection Customer 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 Interconnection Customer 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 Interconnection Customer's installation is exempted from the change or the Interconnection Customer complies with the change in a timely manner.

- 3.2.3. No such termination or suspension, however, will be made by Cooperative without written notice delivered to Interconnection Customer stating what in particular in the Agreement has been violated, except that no notice need to be given in instances set forth in Section 3.2.2. (3) above.
- 3.2.4. Interconnection Customer's 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.
- 3.2.5. Unless otherwise agreed to in writing, upon termination of this Agreement, the Generator will be disconnected from the Cooperative's System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.
- 3.2.6. Either Party may terminate this Agreement after Default pursuant to Section 6.4.

### 3.3 Disconnection of Generator

Cooperative may isolate Interconnection Customer'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 the Cooperative determines that isolation of the Interconnection Customer's premises and/or Generating Facility from the Cooperative's System is necessary because of emergencies, forced outages, force majeure or compliance with Good Utility Practice. Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

#### 3.3.1. Emergency Conditions:

The Cooperative may immediately suspend interconnection service and temporarily disconnect the Generator in the event it determines, in its sole discretion, the existence of Emergency Conditions that are imminently likely to endanger life, property, or the safety of Cooperative's System. The Cooperative

shall notify the Interconnection Customer promptly when it becomes aware of such Emergency Conditions that may reasonably be expected to affect the Interconnection Customer's operation of the Generator; provided however that said notification need not be in advance of suspending service or disconnecting the Generator. The Interconnection Customer shall notify the Cooperative promptly when it becomes aware of such Emergency Conditions. To the extent information is known, the notification shall describe the Emergency Conditions, the extent of the actual/potential damage, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action. The Cooperative will respond to Emergency Conditions that do not pose imminent danger to life, property, or the safety of Cooperative's System but are imminently likely to adversely affect other customers or the System in accordance with Section 3.3.4.

### 3.3.2. Routine Maintenance, Construction, and Repair:

The Cooperative may interrupt interconnection service or curtail the output of the Generator and temporarily disconnect the Generator from the Cooperative's Distribution System when necessary for routine maintenance, construction, and repairs on the Cooperative's System. The Cooperative shall provide the Interconnection Customer with five (5) Business Days notice prior to such interruption. The Cooperative shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

### 3.3.3. Forced Outages:

During any forced outage, the Cooperative may suspend interconnection service to effect immediate repairs on the Cooperative's System. The Cooperative shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Cooperative shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

### 3.3.4. Adverse Operating Effects:

The Cooperative shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Generator may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Generator could cause damage to the Cooperative's System, including but not limited to significant impairment of any pre-existing Integrated Volt/VAR Control (IVVC) or Conservation Voltage Reduction (CVR) program, or Affected System. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Cooperative may disconnect the Generator. The Cooperative shall provide the

Interconnection Customer with five (5) Business Days notice of such disconnection, unless the provisions of Section 3.3.1. apply.

#### 3.3.5. Modification of the Generator:

The Interconnection Customer must receive written authorization from the Cooperative before making any change to the Generator that may have a material impact on the safety or reliability of the System. Such authorization shall not be unreasonably withheld. Modifications shall be made in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Cooperative's prior written authorization, the Cooperative shall have the right to temporarily disconnect the Generator.

#### 3.3.6. Reconnection:

The Parties shall expend reasonable efforts and cooperate with each other to restore the Generator, Interconnection Facilities, and the Cooperative's System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

#### 3.3.7. Generator Protective Device:

The generator protective device must detect power outages and disconnect the Generator from the distribution system automatically during an outage so as not to cause islanding if it is unable to ride-through the frequency or voltage event in accordance with Section 1.5.7. Such protective devices must be such that they communicate with or otherwise coordinate with the Cooperative's protective devices, and the Interconnection Customer shall notify the Cooperative of any proposed changes in settings. The generator protective equipment shall allow for Cooperative personnel to install grounds on the line during emergencies and power outages. As set forth elsewhere in this Agreement, Cooperative shall give Interconnection Customer reasonable notice of the possible isolation of Interconnection Customer's premises and/or Generator from Cooperative's System.

3.3.8. Interconnection Customer may disconnect the Generator, provided that it notifies the Cooperative of its intent to disconnect by written notice delivered not less than thirty (30) days prior to such disconnection.

### 4. Cost Responsibility for Interconnection Facilities and Upgrades

#### 4.1. Interconnection Facilities

4.1.1. The Interconnection Customer shall pay for the cost of the Cooperative's Interconnection Facilities itemized in Appendix D of this Agreement. The Cooperative shall provide a best estimate cost, including overheads, for the

purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs.

4.1.2. The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) the Cooperative's operating, maintaining, repairing, and replacing the its Interconnection Facilities.

#### 4.2. System Upgrades

The Cooperative shall design, procure, construct, install, and own the Upgrades described in Appendix G of this Agreement. If the Cooperative and the Interconnection Customer agree, the Interconnection Customer may construct Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

#### 4.3. Special Provisions for Affected Systems

Unless otherwise agreed to, Interconnection Customer shall bear the cost and obligation to arrange for upgrades or other improvements required by Affected Systems.

### 5. Payment, Milestones, and Financial Security

#### 5.1. Payment Procedures

5.1.1 Absent agreement to the contrary, Interconnection Customer shall pay all costs related to design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement, with all such costs paid in advance of the Cooperative's performing its obligations under this Agreement.

5.1.2. Within three months of completing the construction and installation of the Interconnection Customer's Interconnection Facilities and/or Upgrades described in the Appendices to this Agreement, the Cooperative shall provide the Interconnection Customer a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Cooperative for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Cooperative shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Cooperative within 20 Business Days. If the Interconnection Customer's previous aggregate payments exceed its cost

responsibility under this Agreement, the Cooperative shall refund to the Interconnection Customer an amount equal to the difference within 20 Business Days of the final accounting report.

5.1.3. The Cooperative shall also bill the Interconnection Customer for the costs associated with operating, maintaining, repairing and replacing the Cooperative's System Upgrades, as set forth in Appendix G of this Agreement. The Cooperative shall bill the Interconnection Customer for the costs of providing the Cooperative's Interconnection Facilities including the costs for on-going operations, maintenance, repair and replacement of the Cooperative's Interconnection Facilities under a Cooperative rate schedule, tariff, rider, or service regulation providing for extra facilities or additional facilities charges, as set forth in Appendix D of this Agreement, such monthly charges to continue throughout the entire life of the interconnection.

## 5.2. Milestones

5.2.1. The Parties shall agree on milestones for which each Party is responsible and list them in Appendix H of this Agreement.

Except for timing for prepayment/provision of Financial Security, if a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones or explain why a reasonable alternate date cannot be identified, and (2) request appropriate amendments to Appendix H. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) it will suffer significant uncompensated economic or operational harm from the delay, (2) the delay will materially affect the schedule of another Interconnection Customer with subordinate Queue Position, (3) attainment of the same milestone has previously been delayed, or (4) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

## 6. Assignment, Liability, Indemnity, Uncontrollable Force, Consequential Damages, and Default

### 6.1. Assignment

This Agreement shall be binding upon the heirs, successors and assigns of Interconnection Customer and shall not be assigned without the written consent of the Cooperative, which shall not be unreasonably withheld. At any time during the term of this Agreement, the Interconnection Customer may assign this Agreement to a corporation, an entity with limited liability or an individual (the "Assignee") to whom the Interconnection Customer transfers ownership of the Generator; provided that the

Interconnection Customer obtains the consent of the Cooperative in advance of the assignment. The Cooperative's consent will be based on a determination that the Assignee is financially and technically capable to assume ownership and/or operation of the Generator. The company or individual to which this Agreement is assigned will be responsible for the proper operation and maintenance of the Generator, and must agree in writing to be subject to all provisions of this Agreement. The Cooperative may assign the Agreement to another entity without the approval of the Interconnection Customer, provided the assignment is subject to Assignee's obligation to continue to service Interconnection Customer's load and to otherwise be responsible for the Cooperative's obligations under this Agreement.

## 6.2. Indemnity and Liability

### 6.2.1. Limitation of Liability:

Notwithstanding any other provision in this Agreement, with respect to the Cooperative's provision of electric service to Interconnection Customer and the services provided by the Cooperative pursuant to this Agreement, the Cooperative's liability to Interconnection Customer shall be limited as set forth in the Cooperative's tariffs and terms and conditions for electric service, which are incorporated herein by reference. The Cooperative's liability to the Interconnection Customer for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any Default or breach hereunder, shall be limited to the amount of direct damage actually incurred. In no event shall Cooperative be liable to the Interconnection Customer for any indirect, special, incidental, consequential, or punitive damages of any kind, including but not limited to claims for loss of sales, business opportunity, or profits.

### 6.2.2. Indemnification:

Notwithstanding any other provision of this Agreement, the Interconnection Customer shall assume all liability for and shall indemnify the Cooperative and its members, trustees, directors, officers, managers, employees, agents, representatives, affiliates, successors and assigns for and shall hold them harmless from and against any claims, losses, costs, and expenses of any kind or character to the extent that they result from Interconnection Customer's negligence, breach of this Agreement, or other wrongful conduct in connection with the design, construction, installation, operation or maintenance of the Generator or Interconnection Facilities. Such indemnity shall include, but is not limited to, financial responsibility for (a) monetary losses; (b) reasonable costs and expenses of defending an action or claim; (c) damages related to death or injury; (d) damages to property; (e) all other obligations by or to third parties, arising out of or resulting from the Interconnection Customer's action or inaction; and (f) damages for the disruption of business.

Without limiting the foregoing, interconnection Customer acknowledges that its indemnification obligations under and subject to this Section 6.2.2. include any damages or losses incurred by Cooperative due to disruption or deterioration of service or damage to other customers' property caused by a condition at the Generating Facility prior to disconnection pursuant to Sections 3.3.4. or Section 3.3.1.

6.2.3. The provisions of Sections 6.2.1. and 6.2.2. 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.

6.2.4. If Interconnection Customer at any time fails to comply with the insurance provisions of this Agreement, Interconnection Customer 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's 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 Interconnection Customer complied with all such insurance provisions. The inclusion of this section is not intended to create any express or implied right in Interconnection Customer to elect not to provide any such required insurance.

6.2.5. Interconnection Customer 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.

6.2.6. The Cooperative and Interconnection Customer shall each be responsible for the safe installation, maintenance, repair and condition of their respective lines, wires, switches, or other equipment or property on their respective sides of the Point of Interconnection. The Cooperative does not assume any duty of inspecting the Interconnection Customer's lines, wires, switches, or other equipment or property.

### 6.3 Force Majeure

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.

## 6.4 Default

- 6.4.1. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except where a condition on Interconnection Customer's side of the Point of Interconnection is actually known by Cooperative to be (or is reasonably anticipated to be) dangerous to life, property, or the safety of the System, and except as provided in Section 6.4.2. below, the defaulting Party shall have five (5) Business Days from receipt of the Default notice within which to cure such Default.
- 6.4.2. If a Default is not cured as provided in Section 6.4., or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party, subject to Section 6.2.1 above, all amounts due hereunder. The provisions of this article will survive termination of this Agreement.

## 6.5. Non-Warranty

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

## 7. Insurance

- 7.1. Interconnection Customer shall obtain and retain, for as long as its Generator is interconnected with the Cooperative's system, liability insurance which protects Interconnection Customer from claims for bodily injury and/or property damage. For a non-residential Interconnection Customer the minimum coverage shall be comprehensive general liability insurance with coverage at least \$1,000,000 per occurrence and for a residential Interconnection Customer 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, Interconnection Customer shall furnish a properly executed certificate of insurance to Cooperative clearly evidencing the required coverage and any exclusions applicable to such coverage. The Cooperative shall be named as an "additional insured" entity on the Interconnection Customer's policy. The Interconnection Customer shall submit the certificate of insurance annually to the Cooperative (as soon as possible after receipt and on the anniversary thereof in subsequent years) or sooner if there is a change in insurance 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. Interconnection Customer 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 Interconnection Customer's generation facility to Cooperative's System if such insurance is not in effect.

7.2. Insurance on the premises where the Interconnection Customer'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.

## 8. Miscellaneous:

### 8.1. Entire Agreement:

This Agreement and the documents attached hereto or incorporated by reference 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, referenced herein and attached 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.

### 8.2. Governing Law:

This Agreement shall be governed under laws of the State of North Carolina.

### 8.3. Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

8.3.1. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Cooperative be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon,

and shall be construed as having application to, any subcontractor of such Party.

8.3.2. The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

8.4. Customer Certification:

By signing this Agreement below, Interconnection Customer hereby certifies that, to the best of Interconnection Customer'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 Interconnection Customer has received and reviewed this Agreement.

8.5. 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 Interconnection Customer's Generator to Cooperative's system.

8.6. Relationship of the Parties:

Nothing contained in the Agreement shall be construed to create an association, joint venture, partnership or any other type of business entity between the Cooperative and Interconnection Customer, and neither Party shall take any action inconsistent with the obligation or commitments of the other hereunder.

9. Notices

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified in Appendix B.

10. Signatures

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

**[Name of Interconnection Customer]:**

By: \_\_\_\_\_

\_\_\_\_\_  
[Print Name]

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Accepted:**

By: \_\_\_\_\_

\_\_\_\_\_  
[Print Name]

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## List of Applicable 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

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

OSHA 1910.269 (d), Hazardous energy control (lockout/tagout) procedures

OSHA 1910.269 (m), De-energizing lines and equipment for employee protection

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.

**COMMUNICATION PROTOCOL  
For Lumbee River Electric Membership Corporation**

This Communication Protocol is meant to supplement Section 3.3. of the Standard Interconnection Agreement. In the event of a conflict between this Agreement and the Standard Interconnection agreement between the Parties, the Standard Interconnection Agreement shall control.

**Guidelines**

- The Cooperative shall give the Interconnection Customer notice of the possible isolation of Interconnection Customer’s premises and/or Generator from Cooperative’s System for any Planned condition or situation by contacting the Designated Operating Representative or Secondary Contact.
- If the Cooperative or Interconnection Customer experiences an Unplanned or Emergency Conditions, the other party will make Reasonable Efforts to accommodate and communicate this unplanned work in a timely manner.

**Contact List**

<b>Interconnection Customer</b>	<b>Cooperative</b>
<b>Designated Operating Representative</b>	
Attention: _____	Attention: _____
Address: _____	Address: _____
City/State/Zip: _____	City/State/Zip: _____
Phone: _____	Phone: _____
Fax: _____	Fax: _____
<b>Secondary Contact</b>	
Attention: _____	Attention: _____
Address: _____	Address: _____
City/State/Zip: _____	City/State/Zip: _____
Phone: _____	Phone: _____
Fax: _____	Fax: _____
<b>Billing and Payment</b>	
Attention: _____	Attention: _____
Address: _____	Address: _____
City/State/Zip: _____	City/State/Zip: _____
Phone: _____	Phone: _____
Fax: _____	Fax: _____

## Glossary of Terms

**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 and/or Federal Holidays.

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

**Emergency Conditions** - "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Cooperative, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the System, the Cooperative's Interconnection Facilities or any Affected Systems; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generator or the Interconnection Customer's Interconnection Facilities.

**Force Majeure** - event is any event: (a) that is beyond the reasonable control of the affected party; and (b) that the affected party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent that they satisfy the preceding requirements: acts of war, terrorism, riot, 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.

**Good Utility Practice** – 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. Good Utility Practice 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.

**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 Customer, the Cooperative, or any Affiliate thereof.

**Interconnection Facilities** – Interconnection Facilities include all facilities and equipment between the Generator 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. Unless limited to Cooperative's Interconnection Facilities, the term refers to all facilities and equipment owned by the Interconnection Customer and the Cooperative.

**Material Modification** – A modification that has a material impact on the cost or timing of any Interconnection Request, or any other valid interconnection request to the Cooperative with a later queue priority date.

**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.

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

**Planned** - An event that does not fall under an Unplanned or Emergency situation or condition.

**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 Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

**Unplanned** - A condition or situation that, while not an Emergency and not an immediate threat to service, property or safety, is nonetheless unplanned, unscheduled and prompt attention is either necessary or desired.

**Upgrades** – The additions, modifications, and upgrades to the Cooperative's System at or beyond the Point of Interconnection to facilitate interconnection of the Generator and render the service necessary to effect the Interconnection Customer's wholesale sale of electricity. Upgrades do not include Interconnection Facilities.

**Description and Estimated Costs of Interconnection Facilities and Metering Equipment**

Appendix E

**One-line Diagram Depicting the Generator, Interconnection Facilities, Metering Equipment, and Upgrades**

**Additional Operating Requirements for the Cooperative's System and Affected Systems Needed to Support the Interconnection Customer's Needs**

Appendix G

**Cooperative's Description of its Upgrades and Best Estimate of Upgrade Costs**

**Milestones**

Upgrade In-Service Date: \_\_\_\_\_

Interconnection Facilities In-Service Date: \_\_\_\_\_

Critical milestones and responsibility as agreed to by the Parties:

The build-out schedule does not include contingencies for deployment of Utility personnel to assist in outage restoration efforts on the Utility’s system or the systems of other utilities with whom the Utility has a mutual assistance agreement. Consequently, the In-service date may be delayed to the extent outage restoration work interrupts the design, procurement and construction of the requested facilities.

	Milestone	Completion Date	Responsible Party
1)			
2)			
3)			
4)			
5)			
6)			
7)			

Agreed to by:

For the Utility: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

For the Interconnection Customer: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_