

Operational Procedure 5-1-5-O-4

Interconnection Agreement for Non-Inverter Systems No Larger than 100 kW

This Interconnection Agreement (“Agreement”) is made and entered into this ____ day of _____, 20____, by Blue Ridge Electric Membership Corporation, (“Cooperative”), a corporation organized under the laws of North Carolina, and _____ (“Interconnection 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, the Parties agree as follows:

This agreement provides for the safe and orderly operation of the electrical facilities interconnecting the Interconnection Member’s facility at: _____

_____ (land location or description of project) and the electrical distribution facility owned by the Cooperative.

This Agreement does not supersede any requirements of any by-laws, applicable rates, rules and regulations in place between the Interconnection Member and the Cooperative.

1. Intent of Parties

It is the intent of the Interconnection Member to interconnect an electric power generator to the Cooperative’s electrical distribution system.

It is the intent of the Cooperative to operate the distribution system to maintain a high level of service to their customers and to maintain a high level of power quality.

It is the intent of both parties to operate the facilities in a way that ensures the safety of the public and their employees.

2. Operating Authority

The Interconnection Member is responsible for establishing operating procedures and standards within their organization. The operating authority for the Interconnection Member shall ensure that the Operator in Charge of the generator is competent in the operation of the electrical generation system and is aware of the provisions of any

operating agreements and regulations relating to the safe operation of electrical power systems.

The operating authority for the Interconnection Member is: _____

(name or title of operating authority, along with address and phone number).

3. Operator in Charge

The Interconnection Member shall each identify an individual (by name or title) who will perform as “Operator in Charge” of the Facilities and the Interconnection Member portion of the Interconnection Facilities. This individual must be familiar with this Agreement as well as provisions of the Rules and any other agreements or regulations that may apply.

4. Safe Operation and Maintenance

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

5. Suspension of Interconnection

It is intended that the interconnection should not compromise the Cooperative’s protection or operational requirements. The operation of the Interconnection Member’s system and the quality of electric energy supplied by the Interconnection Member shall meet the standards as specified by the Cooperative. If the operation of the Interconnection Member’s system or quality of electric energy supplied (in the case of power export) does not meet the standards as specified, then the Cooperative will notify the Interconnection Member to take reasonable and appropriate corrective action. The Cooperative shall have the right to disconnect the Interconnection Member’s system, until compliance is reasonably demonstrated.

Notwithstanding, the Cooperative may in its sole discretion disconnect the Interconnection Member’s generating plant from the Cooperative’s electric system without notice if the operating of the generator imposes a threat, in the cooperative’s sole judgment, to life and property.

6. Maintenance Outages

Maintenance outages will occasionally be required on the Cooperative's system, and the Cooperative will provide as much notice and planning as practical to minimize downtime.

7. Access

Access is required at all times by the Cooperative to the Interconnection Member's site for maintenance, operating and meter reading. The Cooperative reserves the right, but not the obligation, to inspect the Interconnection Member's facilities.

8. Disconnect

A lockable, manually operable, visible load-break disconnecting device is required to be installed in a location readily accessible to Cooperative personnel to isolate the inverter unit for safety purposes.

9. Limitation of Liability, Indemnification, Consequential Damages, Force Majeure, and Default

a. Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission 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, special, incidental, consequential, or punitive damages of any kind, except as authorized by this Agreement.

b. Indemnity

This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Article 6.2.

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 inaction 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.

If an indemnified Party is entitled to indemnification under this Article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this Article, to assume the defense of such claim, such indemnified Party may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

If an indemnifying Party is obligated to indemnify and hold any indemnified Party harmless under this Article, the amount owing to the indemnified Party shall be the amount of such indemnified Party's actual loss, net of any insurance or other recovery.

Promptly after receipt by an indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this Article may apply, the indemnified Party shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

c. Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

d. Force Majeure

As used in this Article, a Force Majeure Event shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing.

If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

e. Default

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 Event 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 as provided in paragraph 9.e.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

2. If a Default is not cured as provided in this Article, or if a Default is not capable of being cured within the period provided for herein, or repeat Defaults have occurred, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

10. Insurance

Interconnection Member shall carry adequate insurance coverage that shall be acceptable to the Cooperative.

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

For an Interconnection Member that is a residential member of the Cooperative proposing to interconnect a generating facility no larger than 100 kW, the required coverage shall be a standard homeowner's insurance policy with liability coverage in the amount of at least \$300,000 per occurrence.

For an Interconnection Member that is a non-residential member of the Cooperative proposing to interconnect a Generating Facility no larger than 100 kW, the required coverage shall be comprehensive general liability insurance with coverage in the amount of at least \$300,000 per occurrence.

The Parties further agree to notify each other in writing whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

11. Term

This Agreement becomes effective when executed by both Parties and shall continue in effect until terminated. It may be canceled by Interconnection Member with not less than 30 days' notice to the other party. Cooperative may cancel it if Interconnection Member is in breach of it or is inactive for six (6) months.

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

Interconnection Member

Blue Ridge Electric Membership Corporation

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

Date Adopted: 05/2017

Dates Revised: 08/20