



Distributed Energy Resource Interconnection Manual

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GENERAL

In order to receive service from the Cooperative, a customer must join or become a “Member” of the Cooperative. Throughout this Manual, customers will be referred to as “Members.” For more information about the cooperative membership application process, including any applicable membership fees or deposits, see the Cooperative to request new member information.

A Distributed Energy Resource (DER) Facility as defined in the Cooperative’s tariff means a Member owned or leased generation facility operating at a distribution voltage or 35 kV or less, including any generation and associated equipment, wiring, protective devices, or switches owned or leased by the Member.

A Qualifying Facility (QF) is a generating installation which meets the requirements set forth in Federal Energy Regulatory Rules promulgated under Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (see Section I.(3) (a) of this Manual).

A Member’s generation facility may be a DER, a QF, or both. Throughout this Manual, the term “Customer Generation” facility shall mean “Distributed Energy Resource or Qualifying” facility and all provisions herein that utilize the term “Customer Generation” shall be interpreted as being applicable to both a DER facility and a QF.

It is the intent of the Cooperative to allow Members to install Customer Generation facilities, provided the Member’s Customer Generation facility does not adversely affect the Cooperative or other Members of the Cooperative. The Member must conduct his/her own analysis to determine the economic benefit of Customer Generation operation.

A Customer Generation facility that is not connected to the Cooperative’s system in any way is known as “stand-alone” or “isolated” Customer Generation. The Member may operate a Customer Generation facility in stand-alone or isolated fashion as long as such Customer Generation facility does not adversely affect the Cooperative’s system. A Customer Generation facility connected in any way to the Cooperative’s system shall be considered as in “parallel.” For purposes of this Manual, a Customer Generation facility is considered operating in “parallel” anytime it is connected to the Cooperative’s system in any way, even if the Member does not intend to export power. All provisions of this Manual shall apply to parallel operation of Customer Generation facilities as so defined.

This Manual is not a complete description or listing of all laws, ordinances, rules and regulations, nor is this Manual intended to be an installation or safety manual. The Member requesting to interconnect a Customer Generation facility to the Cooperative’s system is responsible for and must follow, in addition to all provisions of this Manual, the Cooperative’s *Rules and Regulations and Tariffs for Electric Service*, the Cooperative’s *Line Extension Policy*, the *Policies and Procedures* of the Cooperative’s power supplier where applicable, the *Policies and Procedures* of the Cooperative’s transmission service provider where applicable, the current *IEEE 1547 Standard Guide for Distributed Generation Interconnection* (a copy is on file at the Cooperative for inspection along with information so the Member may obtain his/her own copy), other applicable IEEE standards, applicable ANSI standards, including ANSI C84.1 Range A and any other applicable governmental and regulatory laws, rules, ordinances or requirements. All legal, technical, financial, etc. requirements in the following sections of this Manual must be met prior to interconnection of the Customer Generation facility to the Cooperative’s system.

A Member may serve all load behind the meter at the location serving the Customer Generation facility but will not be allowed to serve multiple meters, multiple consuming facilities or multiple Members with a single Customer Generation facility or under a single Customer Generation application.

Customer Generation facilities larger than 3 MW are not covered by this Manual and will be considered by the Cooperative on a case-by-case basis.

I. DETERMINE THE CATEGORY OF CUSTOMER GENERATION FACILITY

1) Connection Level Category

a) Connected to the Cooperative's system

The Member requests and/or the Member's Customer Generation facility requires connection to the Cooperative's system. All provisions of this manual cover this category.

b) Connected to the Cooperative's power supplier's system

The Member requests and/or the Member's Customer Generation facility requires connection to the Cooperative's power supplier's system. This manual does NOT cover this category. The Cooperative will provide contact information for the power supplier to the Member.

2) Power Export Category

a) Parallel – no power export

The Member operates a Customer Generation facility connected in any way to the Cooperative system but with no intention to export power.

b) Parallel – power generated to be both consumed and exported

The Member operates a Customer Generation facility connected in any way to the Cooperative's system designed primarily to serve the Member's own load but with the intention to export excess power.

c) Parallel – power generated to be exported only

The Member operates a Customer Generation facility connected in any way to the Cooperative's system designed primarily with the intention to export power.

3) Qualifying or Non-Qualifying Category

a) Qualifying Facilities (QF) are defined in Federal Energy Regulatory Commission Rules promulgated under Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978. In general, a QF must either produce useful thermal energy and electricity through the sequential use of energy or have a renewable resource (e.g. biomass, waste, geothermal) as its primary energy source.

b) Generation facilities that are not QFs under the provisions of PURPA will be considered a Non-Qualifying Facility ("NQF") by Cooperative.

c) The Cooperative will purchase power from a Member with a generation facility that is a QF, subject to the provisions of this Manual and other applicable rules and regulations.

d) The Cooperative may purchase power from a Member with a Customer Generation facility that is an NQF.

4) Size Category

a) Renewable generation facilities having a design capacity of 15 kW and smaller

Facilities of ≤ 15 kW of connected renewable generation will be placed in this size category unless the Member requests connection under the non-renewable category.

- b) Facilities having a design capacity of 500 kW and smaller
Facilities of ≤ 500 kW of connected generation will be placed in this size category. Renewable generation facilities > 15 kW and ≤ 500 kW will be placed in this category as well. Renewable generation facilities ≤ 15 kW are eligible to be placed in a separate category designed for small renewable generation facilities.

- c) Facilities having a design capacity > 500 kW and $\leq 3,000$ kW (3 MW) of connected generation
Facilities of > 500 kW and $< 3,000$ kW (3 MW) of connected generation will be placed in this size category. Facilities of ≤ 500 kW may be placed in this size category if requested by the Member.

- d) Facilities having a design capacity above 3,000 kW (3 MW) of connected generation
Not considered under this manual

II. MEMBER'S INITIAL REQUIREMENTS

1) Notification

- a) The Member must meet all the Cooperative's membership and service requirements in addition to the requirements in the Manual.
- b) Anyone owning or operating a Customer Generation facility in parallel with the Cooperative's system must notify the Cooperative of the existence, location and category of the Customer Generation facility.

2) New Interconnection Service Request

- a) To initiate a new interconnection service request, the Member must contact the Cooperative and complete the "Application for Operation of Customer-Owned Generation" included in this Manual and pay an application fee and the additional engineering fee as indicated below. In the case of Customer Generation facilities (i) to be operated in parallel with the Cooperative's system, (ii) with no intention to export power to the Cooperative and (iii) that are of standard design and intended entirely as emergency or back-up power supply for the facility, the Cooperative may, at its sole discretion, waive the application fee.
- b) As a part of the application, the Member shall submit a plan detailing the electrical design, interconnection requirements, size, and operational plans for the Customer Generation facility (the "Customer Generation Plan"). Either at the time of submission or at any time during the review process, the Cooperative may require additional information or may require the Customer Generation Plan to be prepared by a Professional Engineer registered in the state of Texas.
- c) Renewable customer Generation facilities having a design capacity of 15 kW or less and of standard manufacture and design (as so determined by the Cooperative) may submit the Agreement Short Form (or if applicable, the Renewable Customer Generation Form). All other facilities must submit the Agreement Long Form.
- d) A separate form must be submitted for each facility

- e) Prior to review of the application and Customer Generation Plan by the Cooperative, the Member shall pay an application fee and an additional engineering fee pursuant to Section III.1). as indicated below. A separate application fee and additional engineering fee must be submitted for each Customer Generation facility.

Customer Generation Size (Design Capacity)	Application Fee	Additional Engineering Fee
Renewable \leq 15 kW	\$50	None
\leq 500 kW	\$100	As Required
501 kW to 3,000 kW	\$150	As Required
> 3,000 kW (3 MW)	Not covered by this manual	

III. COOPERATIVE AND POWER SUPPLIER REVIEW PROCESS

1) Plan Review Process

- a) The Cooperative and its power supplier, if requested by the Cooperative, will review the application and accompanying documents, plans, specifications, and other information provided and will return an interconnection analysis to the Member within 60 days of receipt of final plans and specifications.
- b) Technical review will be consistent with guidelines established by the most recent *IEEE Standard 1547 Guide for Interconnecting Distributed Resources*. The Member may be required by the Cooperative to provide proof that their Customer Generation Facilities have been tested and certified by applicable IEEE guidelines.
- c) If corrections or changes to the plans, specifications and other information are to be made by the Member, the 60-day period may be reinitialized when such changes or corrections are provided to the Cooperative. In addition, any changes to the site or project requiring new analysis by the Cooperative may require additional cost and a new Customer Generation plan. The cost will be determined by the Cooperative and shall be paid by the Member.
- d) The Member acknowledges and agrees that any review or acceptance of such plans, specifications and other information by the Cooperative and/or its power supplier shall not impose any liability on the Cooperative and/or its power supplier and does not guarantee the adequacy of the Member's equipment or Customer Generation facility to perform its intended function. The Cooperative and its power supplier disclaim any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost-effectiveness, safety, durability, or reliability of such Customer Generation installations.
- e) In the event it is necessary at the time of initial interconnection or at some future time for the Cooperative and/or its power supplier to modify electric delivery systems in order to serve the Member's Customer Generation facilities and/or purchase or continue to purchase the output of the Member's Customer Generation facilities, or because the quality of the power provided by the Member's Customer Generation adversely affects the

Cooperative's and/or its power supplier's delivery system, the Member will: (1) be responsible to pay the Cooperative and/or its power supplier in advance for all costs of modifications required for the interconnection of the Member's Customer Generation facilities, or (2) modify the Customer Generation facilities as needed, or (3) disconnect from the Cooperative's system.

IV. SALES TO AND PURCHASES FROM A CUSTOMER GENERATION FACILITY

- 1) All sales to and purchases from a Customer Generation facility shall be made according to the rates, terms and conditions set forth in the Cooperative's applicable Generation Rider.
- 2) The Cooperative shall not be required to make any purchases that will cause the Cooperative to no longer be in compliance with any applicable contracts or all-power contract requirements with its power supplier(s).

V. MEMBER'S RESPONSIBILITY PRIOR TO OPERATION

- 1) Line Extension and Modifications to Cooperative Facilities
 - a) As a part of the interconnection analysis performed by the Cooperative, the Member will be provided with an estimate of any line extension or other cost to be incurred in providing electric delivery service to the Member's Customer Generation facility.
 - b) Notwithstanding the Cooperative's line extension policy, the Member shall pay in advance the full cost of the construction of any transmission, substation, distribution, transformation, metering, protective, or other facilities or equipment which, at the sole discretion of the Cooperative and/or its power supplier, is required to serve the Member's Customer Generation facility.
 - c) In the event it is necessary at the time of initial interconnection or at some future time for the Cooperative and/or its power supplier to modify electric delivery systems in order to serve the Member's Customer Generation facilities and/or purchase or continue to purchase the Member's output, or because the quality of the power provided by the Member's Customer Generation adversely affects the Cooperative and/or its power supplier's delivery system, the Member will: (1) reimburse the Cooperative and/or its power supplier for all costs of modifications required for the interconnection of the Member's Customer Generation facilities, or (2) modify the Customer Generation facility's disconnect device.
 - d) In the event the Cooperative at any time in the future changes primary voltage of facilities serving the Customer Generation facility such that metering equipment, transformers and/or any other Member-owned equipment must be changed to continue receiving service at the new primary voltage level, the full cost of the change will be borne by the Member.
 - e) The Cooperative reserves the right to require the Member to pay the full cost of the installation of a visible load break disconnect switch by and to the sole specification of the Cooperative. The switch will be readily accessible to Cooperative personnel and of a type that can be secured in an open position by a Cooperative lock.

2) Applicable Regulations

The Customer Generation facility shall be installed and operated subject to and in accordance with the terms and conditions set forth in the Cooperative's rules, regulations, bylaws, rates and tariffs, as amended from time to time, and, if applicable, approved by the Cooperative's board of directors, which are incorporated herein by reference, and in compliance with all applicable federal, state and local laws, regulations, zoning codes, building codes, safety rules, environmental restrictions, ordinances and regulations, including without limitation, the most recent IEEE Standard 1547 Guide for Interconnecting Distributed Resources, applicable ANSI standards, including ANSI C84.1 Range A, guidelines and directives of regional transmission organizations and independent system operators, guidelines, and in accordance with industry standard prudent engineering practices.

3) Liability Insurance

a) Facilities having a design capacity of 15 kW and smaller

- (1) Prior to interconnection, the Member must provide proof of adequate insurance.
- (2) Throughout the term of this Agreement, the Customer Generation Member shall carry a liability insurance policy that provides for protection against claims for damages arising out of Member's ownership and/or operation of the Customer Generation facility. The limits of such insurance policy shall be at least \$1,000,000 per occurrence or prove financial responsibility by another method acceptable, and approved in writing, to the Cooperative.
- (3) The insurance policy will not be changed or canceled during its term without thirty days written notice to the Cooperative.
- (4) The Member shall provide proof of such insurance to the Cooperative upon request.

b) Facilities having a design capacity of larger than 15 kW

- (1) Prior to interconnection, the Member must provide a certificate of insurance showing satisfactory liability insurance including contractual liability insurance covering indemnity agreements which insures the Member against all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with the installation, operation and maintenance of the Member's generating equipment.
- (2) The amount of such insurance coverage shall be not less than \$1,000,000 per occurrence. The amount of such coverage and the type of insurance coverage required shall be acceptable to the Cooperative and may be amended from time to time by the Cooperative at the sole discretion of the Cooperative.
- (3) The certificate shall provide that the insurance policy will not be changed or canceled during its term without thirty days written notice to the Cooperative. The term of the insurance shall be coincident with the term of the interconnection contract or shall be specified to renew throughout the length of the interconnection contract.
- (4) The Member shall provide proof of such insurance to the Cooperative at least annually.

4) Contracts

a) Interconnection Contract

The Member will sign and deliver an Agreement for Interconnection to the Cooperative substantially in the form as shown in the COOPERATIVE AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF CUSTOMER GENERATION included in this Manual.

b) Purchase Power Contract (where the Member with a QF desires to deliver power or, in the case of a Member with a NQF, the Cooperative agrees to purchase power)

(1) ≤ 3 MW: As outlined in the Cooperative's tariffs.

(2) > 3 MW: Not covered in this Manual.

5) Initial Interconnection

a) Upon satisfactory completion of the review process and execution of required agreements as outlined in this Manual, the Cooperative will begin installation of the interconnection of Customer Generation facilities. The interconnection will be completed as soon as practical after completion of the review process and execution of the necessary agreements/contracts. After completion of interconnection requirements and prior to initiation of service, the Cooperative will conduct a final inspection of the facilities and interconnection to the Cooperative's system. Upon satisfactory final review, the Cooperative will initiate service to the Member.

b) The Cooperative's review process is intended as a means to safeguard the Cooperative's facilities and personnel. The Member acknowledges and agrees that any review or acceptance of such plans, specifications and other information by the Cooperative and/or its power supplier shall not impose any liability on the Cooperative and/or its power supplier and does not guarantee the adequacy of the Member's equipment or Customer Generation facility to perform its intended function. The Cooperative and its power supplier disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost-effectiveness, safety, durability, or reliability of such Customer Generation installations.

VI. REFUSAL TO INTERCONNECT SERVICE OR DISCONNECTION OF INTERCONNECTION SERVICE

The Cooperative may, at its sole discretion, prevent the interconnection or disconnect the interconnection of Customer Generation facilities due to reasons such as safety concerns, reliability issues, power quality issues, breach of interconnection contract or any other reasonable issue. Any disconnection may be without prior notice.

VII. OPERATION OF PARALLEL FACILITY

The purpose of this section is to outline the Cooperative's operational requirements for Customer Generation facilities operated in parallel with the Cooperative's system and is not intended to be a complete listing of all operational, regulatory, safety and other requirements.

1) Ownership of Facilities

- a) The Member shall own and be solely responsible for all expense, installation, maintenance and operation of all facilities, including all power generating facilities, at and beyond the point of delivery as defined in the Cooperative's tariffs.
- b) At its sole discretion, the Cooperative may locate cooperative owned metering equipment and transformers past the point of delivery.

2) Self-Protection of Customer Generation Facilities

- a) The Member will furnish, install, operate and maintain in good order and repair all equipment necessary for the safe operation of Customer Generation facilities operated in parallel with the Cooperative system.
- b) The Member's equipment will have capability to both establish and maintain synchronism with the Cooperative system and to automatically disconnect and isolate the Customer Generation facility from the Cooperative system.
- c) The Member's Customer Generation facility will be designed, installed and maintained to be self-protected from normal and abnormal conditions on the Cooperative system including, but not limited to, overvoltage, undervoltage, overcurrent, frequency deviation, and faults. Self-protection will be compatible with all applicable Cooperative protection arrangements and operating policies.
- d) Additional protective devices and/or functions may be required by the Cooperative when, in the sole judgment of the Cooperative, the particular Customer Generation facility installation and/or the Cooperative system characteristics so warrant.

3) Quality of Service

- a) The Member's Customer Generation facility will generate power at the nominal voltage of the Cooperative's system at the Member's delivery point as defined by ANSI C84.1 Range A.
- b) Member's Customer Generation installation will generate power at a frequency within the tolerances as defined by IEEE 1547.
- c) Member's Customer Generation facility shall produce power at a minimum power factor of at least 98% or shall use power factor correction capacitors to ensure at least a 98% power factor.
- d) Member's Customer Generation facility shall be in accordance with the power quality limits specified in IEEE 519.
- e) The overall quality of the power provided by the Member's Customer Generation facility including, but not limited to, the effects of harmonic distortion, voltage regulation, voltage flicker, switching surges and power factor, will be such that the Cooperative system is not adversely affected in any manner.
- f) In the event that the adverse effects are caused in whole or in part by the Member's Customer Generation facility, the Member will correct the cause of such effects within 30

days of receipt of notice from the Cooperative, reimburse the Cooperative for any required correction, or be subject to immediate disconnection, solely at the Cooperative's discretion, from the Cooperative's system.

4) Safety Disconnect

- a) The Member may be required by the Cooperative to install a visible load break disconnect switch at the Member's expense and to the Cooperative's specifications.
- b) The switch will be located so as to be readily accessible to Cooperative personnel in a location acceptable to both the Member and Cooperative.
- c) The switch shall be a type that can be secured in an open position by a lock owned by the Cooperative. If the Cooperative has locked the disconnect switch open, the Member shall not operate or close the disconnect switch.
- d) The Cooperative shall have the right to lock the switch open when, in the judgment of the Cooperative:
 - (1) It is necessary to maintain safe electrical operating and/or maintenance conditions,
 - (2) The Member's Customer Generation adversely affects the Cooperative system, or
 - (3) There is a system emergency or other abnormal operating condition warranting disconnection.
- e) The Cooperative reserves the right to operate the disconnect switch for the protection of the Cooperative system even if it affects the Member's Customer Generation facility. In the event the Cooperative opens and/or closes the disconnect switch:
 - (1) The Cooperative shall not be responsible for energization or restoration of parallel operation of the Customer Generation facility.
 - (2) The Cooperative will make reasonable efforts to notify the Member.
- f) The Member will not bypass the disconnect switch at any time for any reason.
- g) Signage may be required by the Cooperative at the Member's expense and located at the disconnect indicating the purpose of the switch along with contact names and numbers of both the Member and the Cooperative.
- h) Members with Customer Generation facilities as defined in this Manual which are solely for the purpose of emergency backup or peak shaving without intent to export power shall not operate their Customer Generation facilities at any time unless visibly disconnected from the Cooperative system. At its sole discretion, the Cooperative may require Member to install at his/her own expense an interlocking switch for the purpose of insuring the Member's facilities do not operate in parallel with the Cooperative's facilities.
- i) Should the Cooperative lose power serving the Member's Customer Generation facilities for any reason, Members with Customer Generation facilities shall not operate their Customer Generation facilities unless visibly disconnected from the Cooperative system.

5) Access

- a) Persons authorized by the Cooperative will have the right to enter the Member's property for purposes of testing, operating the disconnect switch, reading or testing the metering equipment, maintaining right-of-way or other Customer Generation facility equipment and/or Cooperative service requirement. Such entry onto the Member's property may be without notice.
- b) If the Member erects or maintains locked gates or other barriers, the Member will furnish the Cooperative with convenient means to circumvent the barrier for full access for the above-mentioned reasons.

6) Liability for Injury and Damages

- a) The Cooperative and/or its power supplier and the Member shall not be liable to each other for either direct or consequential damages resulting from failures, interruptions, or voltage and waveform fluctuations occasioned by causes reasonably beyond the control of the Cooperative and/or its power supplier including, but not limited to, acts of God or public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court or judge granted in any bona fide adverse legal proceeding or action, or any order of any commission, tribunal or governmental authority having jurisdiction. ALL PROVISIONS NOTWITHSTANDING, IN NO EVENT SHALL THE COOPERATIVE BE LIABLE TO THE MEMBER FOR ANY INTEREST, LOSS OF ANTICIPATED REVENUE, EARNINGS, PROFITS, OR INCREASED EXPENSE OF OPERATIONS, LOSS BY REASON OF SHUTDOWN OR NON-OPERATION OF MEMBER'S PREMISES OR FACILITIES FOR ANY INDIRECT, INCIDENTAL, OR CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES ARISING OUT OF OR RELATED, IN WHOLE OR PART, TO THIS AGREEMENT. The Cooperative shall not be liable in any event for consequential damages.
- b) The Member shall indemnify the Cooperative and/or its power supplier against and hold the Cooperative and/or its power supplier harmless from all claims by third parties for both injuries to persons, including death resulting therefrom, and damages to property occurring upon the premises owned or operated by Member arising directly or indirectly from the Member's Customer Generation facility.
- c) Cooperative and Member 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, while retaining the right to inspect, does not assume any duty of inspecting the Member's lines, wires switches, or other equipment or property and will not be responsible therefor. 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) For the mutual protection of the Member and the Cooperative, only with Cooperative's prior written authorization are the connections between the Cooperative's service wires and the Member's service entrance conductors to be energized.
- e) The Member is solely responsible for insuring his/her facility complies with all applicable regulations including, but not limited to, laws, regulations, ordinances, Cooperative and Cooperative power supplier tariffs, policies and directives, and Public Utilities Commission of Texas rules, policies and directives.

7) Metering/Monitoring

The Cooperative shall specify, install and own all metering equipment as follows:

- a) Power transfer at the point of interconnection will be measured by metering equipment as installed and specified at the sole discretion of the Cooperative.
- b) There shall be no net metering, except as may be provided by item (g) below.
- c) The meter(s) shall be read at a time or times of month determined at the Cooperative's sole discretion for acquiring metering data. The Member shall provide the Cooperative an approved communications link at the Member's cost for this purpose if so requested by the Cooperative. The type of communications link and metering equipment measuring purchase of power by the Cooperative shall be installed and specified at the sole discretion of the Cooperative.
- d) The Cooperative may, at its sole discretion, require the Member to pay the Cooperative in advance for metering and monitoring equipment and installation expense.
- e) Meter testing shall follow the Cooperative's standard policy on metering testing and accuracy.
- f) At its sole discretion, the Cooperative may meter the Customer Generation facility at primary or secondary level.
- g) If permitted by the Cooperative's power supplier, and at the Cooperative's sole discretion, a DER or QF facility having a design capacity of 15 kW or less that is fueled by a renewable energy source may be net billed by one of the following methods:
 - (1) Installing a single meter, which has multiple registers, each measuring the flow of energy in a single direction and net billing according to the applicable Distributed Energy Resource Rider or
 - (2) Installing two meters, each measuring the flow of energy in a single direction and net billing according to the applicable Distributed Energy Resource Rider.

8) Notice of Change in Installation

- a) The Member will notify the Cooperative in writing thirty (30) days in advance of making any change affecting the characteristics, performance, or protection of the Customer Generation facility.
- b) If any modification undertaken by the Member will create or has created conditions which may be unsafe or adversely affect the Cooperative system, the Member shall immediately correct such conditions or be subject to immediate disconnection from the Cooperative system.
- c) Any change in the operating characteristics of the Customer Generation facility including, but not limited to, size of generator, total facility capacity, nature of facility, fuel source, site change, hours of operation, or type used, may require a new application process, including, but not limited to, application form, application fee, Customer Generation plan and Customer Generation plan review by the Cooperative.

9) Testing and Record Keeping

- a) The Member will test all aspects of the protection systems up to and including tripping of the generator and interconnection point at start-up and thereafter as required. Testing will verify all protective set points and relay/breaker trip timing and shall include procedures to functionally test all protective elements of the system. The Cooperative may witness the testing.
- b) The Member will maintain records of all maintenance activities, which the Cooperative may review at reasonable times.
- c) For systems having a design capacity greater than 500 kW, a log of generator operations shall be kept. At a minimum, the log shall include the date, generator time on, generator time off, and megawatt and megavar output. The Cooperative may review such logs at reasonable times.

10) Disconnection of Service

The Cooperative may, at its sole discretion, discontinue the interconnection of Customer Generation installations due to reasons such as safety concerns, reliability issues, power quality issues, breach of interconnection contract or any other reasonable issue.

11) Compliance With Laws, Rules and Tariffs

The Customer Generation installation owned and installed by the Member shall be installed and operated subject to and in accordance with the terms and conditions set forth in the Cooperative's rules, regulations, bylaws, rates and tariffs, as amended from time to time, and, if applicable, approved by the Cooperative's board of directors, which are incorporated herein by reference, and in compliance with all applicable federal, state and local laws, regulations, zoning codes, building codes, safety rules, environmental restrictions, ordinances and regulations, including without limitation, those of regional transmission organizations and independent system operators, and in accordance with industry standard prudent engineering practices.

**COOPERATIVE AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF
RENEWABLE CUSTOMER GENERATION FACILITIES
OF 15 KW OR LESS**

This Interconnection Agreement (“Agreement”) is made and entered into this ____ day of _____, 20____, by Sam Houston Electric Cooperative, Inc., (“Cooperative”), a corporation organized under the laws of Texas, and _____ (“Customer Generation Owner/Operator”), 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 Customer Generation Owner/Operator’s renewable distributed generation (Customer Generation) facility at _____ and the electrical distribution facility owned by the Cooperative.

This Agreement does not supersede any requirements of any by-laws, applicable tariffs, rates, rules and regulations in place between the Customer Generation Owner/Operator and the Cooperative.

1. **Intent of Parties:** It is the intent of the Customer Generation Owner/Operator 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 the Cooperative’s employees.

2. **Design Requirements:** The Customer Generation Owner/Operator’s Distributed Generation facility shall be designed and installed in compliance with IEEE Standard 1547.
3. **Metering:** Metering shall be accomplished as described in the Cooperative’s Customer Generation Manual.
4. **Suspension of Interconnection:** It is intended that the interconnection should not compromise the Cooperative’s protection or operational requirements. The operation of the Customer Generation Owner/Operator’s System and the quality of electric energy supplied by the Customer Generation Owner/Operator shall meet the standards as specified by the Cooperative. If the operation of the Customer Generation Owner/Operator’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 Customer Generation Owner/Operator to take reasonable and expedient corrective action. The Cooperative shall have the right to disconnect the Customer Generation Owner/Operator’s System, until compliance is reasonably demonstrated. Notwithstanding, the Cooperative may in its sole discretion disconnect the Customer Generation Owner/Operator’s generating plant from the

Distribution Facility without notice if the operating of the Customer Generation imposes a threat, in the Cooperative's sole judgment, to life and property.

5. **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. It is noted that in some emergency cases such notice may not be practical. Compensation will not be made for unavailability of Cooperative's facilities due to outages.
6. **Access:** Access is required by the Cooperative to the Customer Generation Owner/Operator's plant site for maintenance, operating and meter reading. The Cooperative reserves the right, but not the obligation, to inspect the Customer Generation Owner/Operator's facilities.
7. **Insurance:** Throughout the term of this Agreement, the Customer Generation Owner/Operator shall carry a liability insurance policy that provides for protection against claims for damages arising out of Customer Generation Owner/Operator's ownership and/or operation of the Customer Generation facility. The limits of such insurance policy shall be at least \$1,000,000 per occurrence or prove financial responsibility by another method acceptable, and approved in writing, to the Cooperative.
8. **Liability and Indemnification:** Customer Generation Owner/Operator shall assume all liability for and shall indemnify the Cooperative for any claims, losses, costs, and expenses of any kind of character to the extent that they result from Customer Generation Owner/Operator's negligence or other wrongful conduct in connection with the design, construction or operation of Customer Generation Owner/Operator's facility.
9. **Term:** This document may be canceled by either party with not less than 30 days' notice to the other party.

AGREED TO BY

Customer Generation Owner/Operator

Sam Houston Electric Cooperative, Inc.

Name

Name

Title

Title

Date

Date

COOPERATIVE AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF CUSTOMER GENERATION

SHORT FORM CONTRACT

This Interconnection Agreement ("Agreement") is made and entered into this ____ day of _____, 20____, by Sam Houston Electric Cooperative, Inc. ("Cooperative"), a corporation organized under the laws of Texas, and _____ ("Customer Generation Owner/Operator"), 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:

The provisions of the Cooperative's Customer Generation Manual shall be considered to be a part of this contract.

This agreement provides for the safe and orderly operation of the electrical facilities interconnecting the Customer Generation Owner/Operator's facility at

_____ and the electrical distribution facility owned by the Cooperative.

This Agreement does not supersede any requirements of any applicable tariffs in place between the Customer Generation Owner/Operator and the Cooperative.

1. **Intent of Parties:** It is the intent of the Customer Generation Owner/Operator 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.

3. **Operating authority:** The Customer Generation Owner/Operator is responsible for establishing operating procedures and standards within their organization. The operating authority for the Customer Generation Owner/Operator 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 Customer Generation Owner/Operator is:

Name or title of operating authority _____
Address _____
Phone number _____

4. **Operator in Charge:** The operator in charge is the person identified by name or job title responsible for the real-time operation of all electrical facilities related to the interconnection and owned by their organization.

The operator in charge for the Customer Generation Owner/Operator is:

Name or title of operating authority _____

Address _____

Phone number _____

5. Limitation of Liability and Indemnification:

- a. Notwithstanding any other provision in this Agreement, with respect to the Cooperative's provision of electric service to Customer Generation Owner/Operator and the services provided by the Cooperative pursuant to this Agreement, Cooperative's liability to Customer Generation Owner/Operator shall be limited as set forth in the Cooperative's tariffs and terms and conditions for electric service, which are incorporated herein by reference.
- b. Neither Cooperative nor Customer Generation Owner/Operator shall be liable to the other for damages for any act or omission that is beyond such party's control, including, but not limited to, any event that is a result of an act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, explosion, breakage or accident to any part of the System or to any other machinery or equipment, a curtailment, law, order, or regulation or restriction by governmental, military, or lawfully established civilian authorities.
- c. Notwithstanding Paragraph 5.b of this Agreement, the Customer Generation Owner/Operator shall assume all liability for, and shall indemnify Cooperative for, any claims, losses, costs, and expenses of any kind or character to the extent that they result from Customer Generation Owner/Operator's negligence or other wrongful conduct in connection with the design, construction or operation of the Facilities 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; and (e) damages for the disruption of business. This paragraph does not create a liability on the part of the Customer Generation Owner/Operator to the Cooperative or a third person, but requires indemnification where such liability exists.
- d. Cooperative and Customer Generation Owner/Operator 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, while retaining the right to inspect, does not assume any duty of inspecting the Customer Generation Owner/Operator's lines, wires, switches, or other equipment or property and will not be responsible therefore. Customer Generation Owner/Operator assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the Point of Interconnection.
- e. For the mutual protection of the Customer Generation Owner/Operator and the Cooperative, only with Cooperative prior written authorization are the connections between the Cooperative's service wires and the Customer Generation Owner/Operator's service entrance conductors to be energized.

6. **Metering:** Metering shall be accomplished as described in the Cooperative's Customer Generation Manual.
7. **Insurance:** Insurance shall be required as described in the Cooperative's Customer Generation Manual.
8. **Suspension of Interconnection:** It is intended that the interconnection should not compromise the Cooperative's protection or operational requirements. The operation of the Customer Generation Owner/Operator's System and the quality of electric energy supplied by the Customer Generation Owner/Operator shall meet the standards as specified by the Cooperative. If the operation of the Customer Generation Owner/Operator'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 Customer Generation Owner/Operator to take reasonable and expedient corrective action. The Cooperative shall have the right to disconnect the Customer Generation Owner/Operator's System, until compliance is reasonably demonstrated. Notwithstanding, the Cooperative may in its sole discretion disconnect the Customer Generation Owner/Operator's generating plant from the Distribution Facility without notice if the operating of the Customer Generation may be or may become dangerous to life and property.
9. **Compliance with Laws, Rules and Tariffs:** Both the Cooperative and the Customer Generation Owner/Operator shall be responsible for complying with all applicable laws, rules and regulations, including but not limited to the laws of the state of Texas, and the Cooperative's Customer Generation Manual, Tariffs, Rules and Regulations, By-Laws and other governing documents. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the tariff schedules and rules of the Cooperative as applicable to the electric service provided by the Cooperative, which tariffs and rules are hereby incorporated into this Agreement by this reference. The Cooperative shall have the right to publish changes in rates, classification, service or rule, with the proper notification to all Customer Generation owners/operators and Cooperative members.
10. **Maintenance Outages:** Maintenance outages will occasionally be required on the Cooperative's system, and the Cooperative will provide as much notice and planning as possible to minimize downtime. It is noted that in some emergency cases such notice may not be possible. Compensation will not be made for unavailability of Cooperative's facilities due to outages.
11. **Access:** Access is required by the Cooperative to the Customer Generation Owner/Operator's plant site for maintenance, operating and meter reading. The Cooperative reserves the right, but not the obligation, to inspect the Customer Generation Owner/Operator's facilities.
12. **Force Majeure:** For the purposes of this Agreement, a 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, 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.

13. **Term:** This document is intended to be valid for a period of two (2) years. It may be canceled by either party with 30 days' notice to the other party.

AGREED TO BY

Customer Generation Facility Owner/Operator

Sam Houston Electric Cooperative

Name

Name

Title

Title

Date

Date

**COOPERATIVE AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF
CUSTOMER GENERATION**

LONG FORM CONTRACT

This Interconnection Agreement ("Agreement") is made and entered into this _____ day of _____, 20____, by Sam Houston Electric Cooperative, Inc. ("Cooperative"), a corporation organized under the laws of _____, and

_____ ("Customer Generation Owner/Operator"), 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:

1. **Scope of Agreement** -- This Agreement is applicable to conditions under which the Cooperative and the Customer Generation Owner/Operator agree that one or more generating facilities (described in Exhibit A) owned by the Customer Generation Owner/Operator of _____ kW or less, to be interconnected at _____ kV or less ("Facilities") may be interconnected to the Cooperative's electric power distribution system ("System").

The provisions of the Cooperative's Customer Generation Manual shall be considered to be a part of this contract.

2. **Establishment of Point of Interconnection** - The point where the electric energy first leaves the wires or facilities owned by the Cooperative and enters the wires or facilities provided by Customer Generation Owner/Operator is the "Point of Interconnection." Cooperative and Customer Generation Owner/Operator agree to interconnect the Facilities at the Point of Interconnection in accordance with the Cooperative's Rules and Regulations and Customer Generation Manual relating to interconnection of Customer Generation (the "Rules") and as described in the attached Exhibit A. The interconnection equipment installed by the customer ("Interconnection Facilities") shall be in accordance with the Rules as well.
3. **Responsibilities of Cooperative and Customer Generation Owner/Operator for Installation, Operation and Maintenance of Facilities** - Customer Generation Owner/Operator will, at its own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for, its Facilities, unless otherwise specified on Exhibit A. Customer Generation Owner/Operator shall conduct operations of its Facilities in compliance with all aspects of the Rules, and 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. Maintenance of Interconnection Facilities shall be performed in accordance with the applicable manufacturers' recommended maintenance schedule. The Customer Generation Owner/Operator agrees to cause its Interconnection Facilities to be constructed in accordance with specifications equal to or better than those provided by the National Electrical Safety Code and the National Electrical Code, both codes approved by the American National Standards Institute, in effect at the time of construction.

The Customer Generation Owner/Operator covenants and agrees to cause the design, installation, maintenance, and operation of, its Interconnection Facilities so as to reasonably minimize the likelihood of a malfunction or other disturbance, damaging or otherwise

affecting or impairing the System. Customer Generation Owner/Operator shall comply with all applicable laws, regulations, zoning codes, building codes, safety rules and environmental restrictions applicable to the design, installation and operation of its Facilities.

Cooperative will notify Customer Generation Owner/Operator if there is evidence that the Facilities' operation causes disruption or deterioration of service to other customer(s) served from the System or if the Facilities' operation causes damage to the System. Customer Generation Owner/Operator will notify the Cooperative of any emergency or hazardous condition or occurrence with the Customer Generation Owner/Operator's Facilities, which could affect safe operation of the System.

4. **Operator in Charge** - The Cooperative and the Customer Generation Owner/Operator shall each identify an individual (by name or title) who will perform as "Operator in Charge" of the facilities and their section of the Interconnection Facilities. This individual must be familiar with this Agreement as well as provisions of other agreements and any regulations that may apply.

5. **Limitation of Liability and Indemnification**

- a. Notwithstanding any other provision in this Agreement, with respect to the Cooperative's provision of electric service to Customer Generation Owner/Operator and the services provided by the Cooperative pursuant to this Agreement, Cooperative's liability to Customer Generation Owner/Operator shall be limited as set forth in the Cooperative's tariffs and terms and conditions for electric service, which are incorporated herein by reference.
- b. Neither Cooperative nor Customer Generation Owner/Operator shall be liable to the other for damages for any act or omission that is beyond such party's control, including, but not limited to, any event that is a result of an act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, explosion, breakage or accident to any part of the System or to any other machinery or equipment, a curtailment, law, order, or regulation or restriction by governmental, military, or lawfully established civilian authorities.
- c. Notwithstanding Paragraph 5.b of this Agreement, the Customer Generation Owner/Operator shall assume all liability for, and shall indemnify Cooperative for, any claims, losses, costs, and expenses of any kind or character to the extent that they result from Customer Generation Owner/Operator's negligence or other wrongful conduct in connection with the design, construction or operation of the Facilities 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; and (e) damages for the disruption of business. This paragraph does not create a liability on the part of the Customer Generation Owner/Operator to the Cooperative or a third person, but requires indemnification where such liability exists.
- d. Cooperative and Customer Generation Owner/Operator 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, while retaining the right to inspect, does not assume any duty of inspecting the Customer Generation Owner/Operator's lines, wires, switches, or other equipment or property and will not be responsible therefore. Customer

Generation Owner/Operator assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the Point of Interconnection.

- e. For the mutual protection of the Customer Generation Owner/Operator and the Cooperative, only with Cooperative prior written authorization are the connections between the Cooperative's service wires and the Customer Generation Owner/Operator's service entrance conductors to be energized.
6. **Design Reviews and Inspections** - The Customer Generation Owner/Operator shall provide to the Cooperative the following documentation and inspection results:
- a. One-Line Diagram. The diagram shall include at a minimum, all major electrical equipment that is pertinent to understanding the normal and contingency operations of the Customer Generation Interconnection Facilities, including generators, switches, circuit breakers, fuses, protective relays and instrument transformers.
 - b. Testing Records. Testing of protection systems 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.
7. **Right of Access, Equipment Installation, Removal & Inspection** - The Cooperative may send an employee, agent or contractor to the premises of the Customer Generation Owner/Operator at any time whether before, during or after the time the Facilities first produces energy to inspect the Interconnection Facilities, and observe the Facility's installation, commissioning (including any testing), startup, and operation.
- At all times Cooperative shall have access to Customer Generation Owner/Operator's premises for any reasonable purpose in connection with the interconnection described in this Agreement, the Rules, or to provide service to its customers.
8. **Confidentiality of Information** - Unless compelled to disclose by judicial or administrative process, or by other provisions of law or as otherwise provided for in this Agreement, the Customer Generation Owner/Operator and the Cooperative will hold in confidence any and all documents and information furnished by the other party in connection with this Agreement.
9. **Prudent Operation and Maintenance Requirements** - The Customer Generation Owner/Operator shall operate and maintain its generation and interconnection facilities in accordance with industry standard prudent electrical practices. The said standards shall be those in effect at the time a Customer Generation Owner/Operator executes an interconnection agreement with the Cooperative.
10. **Disconnection of Unit** - Customer Generation Owner/Operator retains the option to disconnect its Facilities from the System, provided that Customer Generation Owner/Operator notifies the Cooperative of its intent to disconnect by giving the Cooperative at least thirty (30) days' prior written notice. Such disconnection shall not be a termination of the agreement unless Customer Generation Owner/Operator exercises rights under Section 13.

Customer Generation Owner/Operator shall disconnect Facilities from the System upon the effective date of any termination under Section 13.

Subject to the Rules, for routine maintenance and repairs on the System, Cooperative shall provide Customer Generation Owner/Operator with seven (7) business days' notice of service interruption.

Cooperative shall have the right to suspend service in cases where continuance of service to Customer Generation Owner/Operator will endanger persons or property. During the forced outage of the System serving Customer Generation Owner/Operator, Cooperative shall have the right to suspend service to effect repairs on the System, but the Cooperative shall use its efforts to provide the Customer Generation Owner/Operator with reasonable prior notice.

11. **Metering** - Metering shall be accomplished as described in the Cooperative's Customer Generation Manual.
12. **Insurance** – Insurance shall be required as described in the Cooperative's Customer Generation Manual.
13. **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) Customer Generation Owner/Operator may terminate this Agreement at any time by giving the Cooperative sixty days' written notice; (b) Cooperative may terminate upon failure by the Customer Generation Owner/Operator to generate energy from the Facilities in parallel 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, tariff, 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 Customer Generation Owner/Operator at least sixty (60) days' notice in the event that there is a material change in an applicable law, or any requirement of the Cooperative's wholesale electric suppliers or any transmission utility, independent system operator or regional transmission organization having responsibility for the operation of any part of the System.
14. **Dispute Resolution** - Each party agrees to attempt to resolve any and all disputes arising hereunder promptly, equitably and in good faith. If a dispute arises under this Agreement that cannot be resolved by the parties within forty-five (45) working days after written notice of the dispute, the parties agree to submit the dispute to mediation by a mutually acceptable mediator. The parties agree to participate in good faith in the mediation for thirty (30) days. If the parties are unsuccessful in resolving their dispute through mediation, then the parties shall submit to arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The venue of such arbitration shall be _____.
15. **Compliance with Laws, Rules and Tariffs** - Both the Cooperative and the Customer Generation Owner/Operator shall be responsible for complying with all applicable laws, rules and regulations, including but not limited to the laws of the state of Texas, and the Cooperative's Customer Generation Manual, Tariffs, Rules and Regulations, By-Laws and other governing documents. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the tariff

schedules and rules of the Cooperative as applicable to the electric service provided by the Cooperative, which tariffs and rules are hereby incorporated into this Agreement by this reference. The Cooperative shall have the right to publish changes in rates, classification, service or rule, with the proper notification to all Customer Generation owners/operators and Cooperative members.

16. **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.
17. **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.
18. **Entirety of Agreement and Prior Agreements Superseded** - This Agreement, including the Rules and all 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 the Customer Generation Owner/Operator application, or other written information provided by the Customer Generation Owner/Operator in compliance with the Rules. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.
19. **Force Majeure** -For the purposes of this Agreement, a 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, public disorder, rebellion or insurrection; floods, hurricanes, earthquakes, lighting, 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.
20. **Assignment** - At any time during the term of this Agreement, the Customer Generation Owner/Operator may assign this Agreement to a corporation, an entity with limited liability or an individual (the "Assignee"), provided that the Customer Generation Owner/Operator 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 Customer Generation unit.

The company or individual to which this Agreement is assigned will be responsible for the proper operation and maintenance of the unit, and will be a party to all provisions of this Agreement.

21. **Permits, Fees and Approvals** - The Cooperative will have responsibility for the review, approval or rejection of the Customer Generation interconnection application. The approval process is intended to ensure that the implementation of the applicant's Customer Generation project will not adversely affect the safe and reliable operation of the Cooperative's System. The fees associated with the Application are listed in the most current fee schedule issued by the Cooperative. All fees are to be submitted in the form of a Bank Cashier's check along with the Application, unless other payment terms have been approved in advance by the Cooperative.

22. **Notices** - Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

(a) If to Cooperative:

(b) If to Customer Generation Owner/Operator:

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other, notwithstanding Section 17.

23. **Invoicing and Payment** - Invoicing and payment terms for services associated with this Agreement shall be consistent with applicable Rules of the Cooperative.

24. **Limitations (No Third-Party Beneficiaries, Waiver, etc.)** - 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. This Agreement may not be assigned by the Customer Generation Owner/Operator without the prior written consent of the Cooperative as specified in Section 20. The failure of a Party to this Agreement 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 imposed upon the Parties.

25. **Headings** - The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

26. **Multiple Counterparts** - This Agreement may be executed in two or more counterparts, each of which is deemed an original, but all constitute one and the same instrument.

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

Sam Houston Electric Cooperative, Inc.

[CUSTOMER GENERATION FACILITY
OWNER/OPERATOR NAME]

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

EXHIBIT A
DESCRIPTION OF FACILITIES AND POINT OF INTERCONNECTION

Customer Generation Owner/Operator will, at its own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for its Facilities, unless otherwise specified on Exhibit A.

FACILITIES SCHEDULE NO.

[The following information is to be specified for each Point of Interconnection, if applicable]

1. Name:
2. Facilities location:
3. Delivery voltage:
4. Metering (voltage, location, losses adjustment due to metering location, and other:
5. Normal Operation of Interconnection:
6. One line diagram attached (check one):/ _____ Yes / _____

7. Facilities to be furnished by Cooperative:
8. Facilities to be furnished by Customer Generation Owner/Operator:
9. Cost Responsibility:
10. Control area interchange point (check one): / _____ Yes / _____ No
11. Supplemental terms and conditions attached (check one): / _____ Yes / _____ No
12. Cooperative rules for Customer Generation interconnection attached (check one): / ____ Yes / ____ No

[COOPERATIVE NAME]

[CUSTOMER GENERATION FACILITY
OWNER/OPERATOR NAME]

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

**SAM HOUSTON
ELECTRIC COOPERATIVE**

APPLICATION FOR OPERATION OF CUSTOMER-OWNED GENERATION

This application should be completed as soon as possible and returned to the Cooperative Customer Service representative in order to begin processing the request. See *Customer Generation Procedures and Guidelines Manual for Members* for additional information.

INFORMATION: *This application is used by the Cooperative to determine the required equipment configuration for the Customer interface. Every effort should be made to supply as much information as possible.*

PART 1

OWNER/APPLICANT INFORMATION

Company: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Phone Number: _____ Representative: _____

PROJECT DESIGN/ENGINEERING (as applicable)

Company: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Phone Number: _____ Representative: _____

ELECTRICAL CONTRACTOR (as applicable)

Company: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Phone Number: _____ Representative: _____

TYPE OF GENERATOR (as applicable)

Photovoltaic _____ Wind _____ Microturbine _____

Diesel Engine _____ Gas Engine _____ Turbine Other _____

ESTIMATED LOAD INFORMATION

The following information will be used to help properly design the Cooperative customer interconnection. This information is not intended as a commitment or contract for billing purposes.

Total Site Peak Load____(kW)

Total Customer Generation Output:
Design Capacity_____(kW)
Planned Maximum Output_____(kW)

MODE OF OPERATION (check all that apply)

Isolated_____

Paralleling_____

Power Export _____

DESCRIPTION OF PROPOSED INSTALLATION AND OPERATION

Is the generator a "Qualifying Facility" as defined in Federal Energy Regulatory Commission Rules promulgated under Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978? No_____ Yes_____

To which electric utility's distribution system does the Owner/Applicant wish the generator to interconnect? _____

To which electric utility does the Owner/Applicant wish to sell the energy generated?

Has the Owner/Applicant filed a formal request with any Regional Transmission Organization or utility (other than the Cooperative) for transmission service?
No_____ Yes_____(name of organization or utility)_____

Give a general description of the proposed installation, including when you plan to operate the generator.

PART 2

(Complete all applicable items. Copy this page as required for additional generators.)

SYNCHRONOUS GENERATOR DATA

Unit Number: _____ Total number of units with listed specifications on site: _____

Manufacturer: _____

Type: _____ Date of manufacture: _____

Serial Number (each): _____

Phases: Single _____ Three _____ R.P.M.: _____ Frequency (Hz): _____

Rated Output (for one unit): _____ Kilowatt _____ Kilovolt-Amper _____

Rated Power Factor (%): _____ Rated Voltage (Volts) _____ Rated Amperes: _____

Field Volts: _____ Field Amps: _____ Motoring power (kW): _____

Synchronous Reactance (X'd): _____ % on _____ KVA base

Transient Reactance (X'd): _____ % on _____ KVA base

Subtransient Reactance (X'd): _____ % on _____ KVA base

Negative Sequence Reactance (Xs): _____ % on _____ KVA base

Zero Sequence Reactance (Xo): _____ % on _____ KVA base

Neutral Grounding Resistor (if applicable): _____

I_2^2t of K (heating time constant): _____

Additional Information: _____

INDUCTION GENERATOR DATA

Rotor Resistance (Rr): _____ ohms Stator Resistance (Rs): _____ ohms

Rotor Reactance (Xr): _____ ohms Stator Reactance (Xs): _____ ohms

Magnetizing Reactance (Xm): _____ ohms Short Circuit Reactance (Xd''): _____ ohms

Design letter: _____ Frame Size: _____

Exciting Current: _____ Temp Rise (deg C°): _____

Reactive Power Required: _____ Vars (no load), Vars _____ (full load)

Additional Information: _____

PRIME MOVER (Complete all applicable items)

Unit Number: _____ Type: _____

Manufacturer: _____

Serial Number: _____ Date of manufacturer: _____

H.P. Rates: _____ H.P. Max.: _____ Inertia Constant: _____ lb.-ft²

Energy Source (hydro, steam, wind, etc.) _____

GENERATOR TRANSFORMER (Complete all applicable items)

TRANSFORMER (between generator and utility system)

Generator unit number: _____ Date of manufacturer: _____

Manufacturer: _____

Serial Number: _____
 High Voltage: _____KV, Connection: delta wye, Neutral solidly grounded? _____
 Low Voltage: _____KV, Connection: delta wye, Neutral solidly grounded? _____
 Transformer Impedance (Z): _____% on _____KVA base
 Transformer Resistance (R): _____% on _____KVA base
 Transformer Reactance (X): _____% on _____KVA base
 Neutral Grounding Resistor (if applicable): _____

INVERTER DATA (if applicable)

Manufacturer: _____ Model: _____
 Rate Power Factor (%): _____ Rated Voltage (Volts): _____ Rated Amperes: _____
 Inverter Type (ferroresonant, step, pulse-width modulation, etc.): _____
 Type commutation: forced line
 Harmonic Distortion: Maximum Single Harmonic (%) _____
 Maximum Total Harmonic (%) _____

Note: Attach all available calculations, test reports, and oscillographic prints showing inverter output voltage and current waveforms.

POWER CIRCUIT BREAKER (if applicable)

Manufacturer: _____ Model: _____
 Rated Voltage (kilovolts): _____ Rated ampacity (Amperes) _____
 Interrupting rating (Amperes): _____ BIL Rating _____

Interrupting medium / insulating medium (ex. Vacuum, gas, oil) _____ / _____
 Control Voltage (Closing): _____(Volts) AC DC
 Control Voltage (Tripping): _____(Volts) AC DC Battery Charged Capacitor
 Close energy: Spring Motor Hydraulic Pneumatic Other: _____
 Trip energy: Spring Motor Hydraulic Pneumatic Other: _____
 Bushing Current Transformers: _____ (Max. ratio) Relay Accuracy Class: _____

Multi Ratio? No _____ Yes: (available taps) _____

ADDITIONAL INFORMATION

In addition to the items listed above, please attach a detailed one-line diagram of the proposed facility, all applicable elementary diagrams, major equipment (generators, transformers, inverters, circuit breakers, protective relays, etc.), specifications, test reports, etc., and any other applicable drawings or documents necessary for the proper design of the interconnection.

SIGN OFF AREA

The customer agrees to provide the Cooperative with any additional information required to complete the interconnection. The customer shall operate his equipment within the guidelines set forth by the Cooperative.

 Applicant

 Date

ELECTRIC COOPERATIVE CONTACT FOR APPLICATION SUBMISSION AND FOR MORE INFORMATION:

Cooperative contact: _____
Title: _____
Address: _____

Phone: _____
Fax: _____
