

HOUSTON COUNTY ELECTRIC COOPERATIVE, INC.

DISTRIBUTED GENERATION INTERCONNECTION AGREEMENT

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This Distributed Generation (“DG”) Interconnection Agreement is dated _____, 20____, and is between Houston County Electric Cooperative, Inc. (“Cooperative”) and _____ (“Member”).

WHEREAS, the Member owns or intends to own and/or operate a “DG Facility” as defined in the Cooperative’s *Distributed Generation Interconnection and Purchase Policies* (“DG Policy”) under the following Member’s account number and Service location:

Account No.: _____

Electric Service Physical Address: _____; and

WHEREAS, the Member desires to interconnect and operate the DG Facility in parallel with the Cooperative’s electric distribution system.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties covenant and agree as follows:

1. Scope of Agreement.

This Agreement is applicable to conditions under which the Cooperative and the Member agree that a DG Facility classified by the Cooperative as a Class _____ DG Facility (as described in **Exhibit A** hereto) under the DG Policy may be interconnected and operated in parallel with the Cooperative’s system.

2. Cooperative Membership.

As a Member of the Cooperative, Member hereby acknowledges and hereby agrees again that Member shall comply with the Cooperative’s Governing Documents (as defined in the Cooperative’s Member Policies) and specifically agrees to be legally bound by the Governing Documents.

3. Member Responsible for DG Facilities.

Member shall own and be solely responsible for payment of all expenses relating to the installation, maintenance and operation of the DG facility and all Member Facilities.

4. Compliance with Member Policies.

Member shall fully comply with the Cooperative’s Member Policies, as amended from time to time, and more specifically with the DG Policy in interconnecting and operating the DG Facility in parallel with the Cooperative’s system. A DG Facility shall also be considered part of the Member Facilities as that term is used throughout the Member Policies. All legal, technical, financial, and other requirements of the DG Policy must be met prior to interconnection of the DG Facility to the Cooperative’s system.

5. Receipt of DG Policy.

Member acknowledges that the DG Policy may be found in and is part of the Cooperative’s Member Policies, as may be amended from time to time.

6. Compliance with Policies, Laws and Regulations.

As required by the DG Policy, the DG Facility shall be 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

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Distributed Generation Interconnection, applicable ANSI standards, including ANSI C84.1 Range A, guidelines and directives of regional transmission organizations and independent system operators, and in accordance with industry standard prudent engineering practices.

7. Electric Service Provided to Member.

Member shall pay the applicable Rates for Electric Service provided to the Member under the Rate Schedules/Riders.

8. Power Exported to the Cooperative.

Except as provided in the DG Policy, power purchased by the Cooperative from Class I and II Facilities shall be made in accordance with the applicable provisions of the Cooperative's Rate Schedules/Riders. In the event the DG Facility is a Class III or IV DG Facility, purchases shall be made in accordance with a negotiated Power Purchase Agreement.

9. Metering/Monitoring.

The Cooperative shall specify, install, and own all metering equipment, including multiple meters if required, and the Member shall be obligated to pay all costs related to installation and operation of such metering equipment as may be required by the Cooperative depending on the specifications of the DG Facility.

The Cooperative may, at its sole discretion, require the Member to pay the Cooperative in advance for any or all metering and monitoring equipment and installation expenses. Meter testing shall follow the Cooperative's standard policy on meter testing and accuracy.

10. Self-Protection of DG Facility.

The DG Facility shall have the capability to both establish and maintain synchronism with the Cooperative's system and to automatically disconnect and isolate the DG Facility from the Cooperative's system. The DG Facility must be designed, installed, and maintained to be self-protected from normal and abnormal conditions on the Cooperative's system.

11. Safety Disconnect.

The DG Facility owner will be required by the Cooperative to install a visible load break disconnect switch at the DG Facility owner's expense and to the Cooperative's specifications. The Cooperative shall have the right to lock the disconnect switch open and reserves the right to operate the disconnect switch for the protection of the Cooperative's system as provided under the DG Policy.

12. Right of Access and Testing.

Persons authorized by the Cooperative will have the right to enter the Member's property as allowed under the DG Policy for purposes of testing, operating the disconnect switch (if required), reading or testing the metering equipment, maintaining right-of-way, and/or other Cooperative's system maintenance. Such entry onto the DG Facility owner's property may be without notice.

If at any time, the Cooperative is barred from accessing the DG Facility and requires immediate access to the DG Facility, the Cooperative shall have the right to remove any such barrier by any means necessary.

As determined by the Cooperative, persons authorized by the Cooperative shall have the right to access the DG Facility and test all aspects of the DG Facility's protection systems up to and including tripping of the generator and interconnection point at start-up and thereafter, as required.

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13. Disconnection of DG Facility by Cooperative.

The Cooperative may disconnect the DG Facility due to reasons such as safety concerns, reliability issues, power quality issues, breach of this agreement, failure to adhere to or a violation of any of the terms and conditions of the DG Policy, the Member Policies or Schedules, or any other lawful reason. Any such disconnection may be without prior notice to the Member and shall be a termination of this agreement.

14. Notice of Change or Disconnection of DG Facility by Member.

The Member will notify the Cooperative in writing no less than thirty (30) days in advance of making any change affecting the characteristics, performance, or protection of the DG Facility, including the disconnection of the DG Facility. Depending on the nature of the notice and changes, the Cooperative may require a new application process, including, but not limited to, submission of a new DG Application for review by the Cooperative and another DG Application fee.

15. Effective Term and Termination Rights.

This agreement becomes effective on the date first written above and shall continue in effect on a year-to-year basis until terminated. Except as otherwise provided in this agreement, this agreement may be terminated for the following reasons: (a) Member may terminate this agreement at any time, by giving the Cooperative thirty (30) days' written notice; and (b) Cooperative may terminate upon failure by Member to generate energy from the DG Facility within twelve (12) months of the date of this agreement. Upon termination, Member will ensure that the DG Facility is disconnected from the Cooperative's system and the Cooperative may inspect the DG Facility to ensure proper disconnection from the Cooperative's system.

16. Insurance.

Cooperative recommends obtaining liability insurance, which adequately insures Member as to its indemnity obligations, herein, and against all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with Member's DG Facility.

Pursuant to the DG Policy, a Member shall provide proof of insurance based on the DG Facility's classification as may be required by the Cooperative's Rate Schedules/Rider or in any Power Purchase Agreement associated with the DG Facility prior to interconnection, annually, upon expiration of an insurance policy or as requested by the Cooperative.

17. Limitation of Liability and Indemnity.

REGARDLESS OF ANY INSURANCE THAT MAY BE OBTAINED, MEMBER ASSUMES ALL LIABILITY AT A MEMBER'S LOCATION FOR MEMBER FACILITIES, INCLUDING A DG FACILITY IN ACCORDANCE WITH THE COOPERATIVE'S BYLAWS AND MEMBER POLICIES. MEMBER SPECIFICALLY AGREES TO INDEMNIFY AND HOLD THE COOPERATIVE HARMLESS FROM ALL CLAIMS RESULTING FROM MEMBER'S OPERATION OF A DG FACILITY AS SPECIFICALLY PROVIDED HEREIN AND AS PROVIDED ELSEWHERE IN THE COOPERATIVE'S GOVERNING DOCUMENTS.

The Cooperative's review process and any inspections are intended as a means to safeguard the Cooperative's system and personnel. The Member acknowledges and agrees that any review or acceptance of such plans, specifications or other information by the Cooperative shall not impose any liability on the Cooperative and does not guarantee the adequacy of the Member's Facilities or the DG Facility to perform its intended function. The Cooperative 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 installations.

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The Cooperative does not insure, guarantee, or warrant that it shall provide adequate, continuous, or non-fluctuating electric energy or other Electric Service. The Cooperative is not liable for damages, costs, or expenses, including attorney fees or legal expenses, caused by inadequate, non-continuous, or fluctuating electric energy, including Service interruptions unless the damages, costs, or expenses are directly caused by the Cooperative’s gross negligence or willful misconduct.

18. No Third Party Beneficiaries.

This agreement is intended solely for the benefit of the parties, and nothing in this agreement shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a party. The words “party” and “parties” refer only to a named party to this agreement.

19. Recitals and Amendments.

The recitals are incorporated in and made a part of this agreement as if set forth in their entirety in the body of this agreement and this agreement may only be amended by a signed writing between the parties.

20. Venue, Texas Law and Authority to Sign.

Venue shall lie in Houston County, Texas and Texas law shall govern this agreement. If applicable, each signatory to this agreement represents full, requisite corporate power and authority to execute, deliver and perform this agreement.

IN WITNESS WHEREOF, the parties have executed this Distributed Generation Interconnection Agreement as of the day and year first above written.

Houston County Electric Cooperative, Inc.

Member Printed Name

Signature of Member or Member’s
Representative

Printed Name of Representative, if Applicable

Title of Member Representative, if Applicable

Signature

Printed Name

Title