

STANDARD INTERCONNECTION AGREEMENT
Fayetteville Public Works Commission

This STANDARD INTERCONNECTION AGREEMENT, (the "Agreement"), is entered into this ____ day of _____, 20____ by and between, _____ hereinafter called "Customer" and Fayetteville Public Works Commission, hereinafter called "Utility". Customer and a Utility are hereinafter collectively referred to as the "Parties" or "Party." In consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. SCOPE OF AGREEMENT:

(a) This Agreement relates solely to the conditions under which Utility and Customer agree that Customer's generation system and equipment, hereinafter the "Generator", and located at or near (**Insert Address**) may be interconnected to and operated in parallel with Utility's electric system. This Agreement does not authorize Customer to export power or constitute an agreement for utility to purchase or wheel Customer's power. Other services that Customer may require from Utility shall be covered under separate agreements.

(b) Utility will supply the electrical requirements of Customer that are not supplied by Customer's Generation. Such electric service shall be supplied to Customer under Utility's rate(s) schedule(s), and services regulations applicable to Customer's class of service.

2. INTERCONNECTION:

(a) Utility hereby authorizes Customer to interconnect and commence operation under the terms of this Agreement on or after (**Insert Date**) subject to Customer having received Utility's written acceptance specified in 2. (f) below.

(b) Customer's Generator must be manufactured, installed and operated in accordance with governmental and industry standards, including, but not necessarily limited to, standards referenced in Appendix A.

(c) The nameplate output of the Generator is ____kW in the form of phase, wires, alternating current of 60 hertz frequency and at volts. (Not to exceed 10 kW)

(d) The point of interconnection between Customer and hereunder will be

_____.

(e) Customer shall not interconnect Customer's Generator with Utility's electric system nor commence parallel operation of Customer's Generator until both Parties have accepted this Agreement and the requirements for interconnection stated in the Interconnection Standard Agreement have been met. Utility shall have the right and opportunity to have representatives present at the initial testing of Customer's protective apparatus. Customer shall notify Utility five (5) business days prior to the initial testing. In the event Customer has interconnected Customer's Generator without Utility's acceptance of this Agreement or the Generator has not met the requirements of the Interconnection Standard, Utility shall have the right to immediately isolate Customer's premises and/or Generator from Utility's system until requirements of the Interconnection Standard have been met and Utility has accepted this Agreement.

(f) Customer shall not make any changes to the Generator output capacity and/or modification to the protection system required to meet the Interconnection Standard without notice to and written approval from Utility before making the changes to the Generator.

(g) Isolation Device: Customer shall install a manual load-break disconnect switch with a clear visible indication of switch position between Utility's electric system and Customer's Generator. The Isolation Device shall be installed as specified in the Interconnection Standard.

(h) Warning Label: Customer will install a permanent warning label in a conspicuous place in close proximity to the electric meter or on the meter base to notify Utility personnel that there is a generator installed on the load side of the meter. The warning label shall not be placed in a location that would interfere with the ability of Utility personnel to read the electric meter. Customer shall also place a warning label on the Isolation Device. Utility will provide the warning labels to Customer. The warning labels must be in place before the Generator can be interconnected with Utility's system.

3. INTERCONNECTION COST:

The cost to Customer for all Utility owned and maintained facilities constructed and/or installed by Utility to accommodate the interconnection and safe operation of Customer's Generator in parallel with Utility's electric system shall be determined in accordance with Utility's applicable Service Regulations.

4. RIGHT OF ACCESS AND EQUIPMENT INSTALLATION:

(a) Access To Premises: The duly authorized agents of Utility shall have the right of ingress and egress to the premises of Customer at all reasonable hours over the same general route as Customer utilizes, for the purpose of reading meters, inspecting Utility's wiring and apparatus, changing, exchanging, or repairing its property on the premises of Customer and to remove such property at the time of or at any time after the suspension of interconnection of the Generator or termination of this Agreement. Utility shall have access to Customer's Isolation Device at all times.

(b) Utility's obligation to provide the interconnection as covered in this Agreement on the agreed upon Effective Date is contingent upon Utility receiving the rights-of-way and receiving the necessary equipment in sufficient time to install it on or before that date.

5. MAINTENANCE OF INTERCONNECTION FACILITIES:

Customer shall maintain Customer's Generator and all related Customer-owned protective equipment and facilities in a safe and prudent manner, conforming to all applicable laws and regulations. Customer shall reimburse, indemnify and save Utility harmless for any and all losses, damages, claims, penalties or liability Utility incurs as a result of Customer's failure to maintain the Generator, equipment, and facilities in a safe and prudent manner or failure to obtain and/or maintain any governmental authorizations or permits required for construction and operation of Customer's facility.

6. DISCONNECTION OF GENERATOR:

Utility may isolate Customer's premises and/or Generator from Utility's system when necessary in order to construct, install, repair, replace, remove, investigate, or inspect any of Utility's equipment or part of Utility's system; or if Utility determines that isolation of Customer's premises and/or Generator from Utility's system is necessary because of emergencies, forced outages, Force Majeure or compliance with prudent electrical practices. Whenever feasible, Utility shall give Customer reasonable notice of the possible isolation of Customer's premises and/or Generator from Utility's system. Notwithstanding any other provision of this Agreement, if at any time Utility determines that either the Generator may endanger Utility's personnel or other persons or property, or the continued operation of Customer's Generator may endanger the integrity or safety of Utility's electric system, Utility shall have the right to isolate Customer's premises and/or Generator from Utility's system. It is agreed that Utility shall have no liability for any loss of sales or other damages, including all punitive and consequential damages for the loss of business opportunity, profits, or other losses, regardless of whether such damages were foreseeable, for the isolation of Customer's premises and/or Generator from Utility's system per this Agreement. Utility shall exercise due diligence to reconnect the Customer's premises and/or Generator with the Utility's system in a timely manner.

7. PERMITS AND APPROVALS:

Customer shall obtain all environmental and other permits required by governmental authorities prior to construction, installation, and interconnection of the Generator. Customer shall also maintain these applicable permits and comply with these permits during the term of this Agreement.

8. INDEMNITY AND LIABILITY:

(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 hereunder, 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.

(b) Indemnification: The parties shall at all times indemnify, defend and save the other party harmless from any and all damages, losses, claims, including claims and actions relating to injury or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney's 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 hereunder on behalf of the indemnifying party, except in cases of gross negligence or intentional wrongdoing by the indemnified party.

(c) The provisions of Section 8 (a) shall not be construed to relieve any insurer of its obligations to pay any claims in accordance with the provision of any valid insurance policy.

(d) If Customer at any time fails to comply with the insurance provisions of this Agreement, Customer shall, at its own cost, defend, save harmless and indemnify Utility, its commissioners, officers, employees, agents, assignees, and successors in interest from and against any and all loss, liability, damage, claim, cost, charge, demand, or expense of any kind or nature (including attorneys fees and other costs of litigation) resulting from the death or injury to any person or damage to any property, including the personnel and property of Utility, its

agents, its contractors, its customers, and/or the public to the extent that Utility would have been protected had Customer complied with all such insurance provisions. The inclusion of this Section 8 (d) is not intended to create any express or implied right in Customer to elect not to provide any such required insurance.

(e) Customer shall be responsible for installing and maintaining devices adequate to protect against damages caused by irregularities or outages on Utility's system, regardless of the cause or fault, including devices to protect against voltage fluctuations and single phasing.

9. INSURANCE:

(a) Customer shall obtain and retain, for as long as its Generator is interconnected with the Utility's system, liability insurance which protects Customer from claims for bodily injury and/or property damage. For a nonresidential Customer the minimum coverage shall be comprehensive general liability insurance with coverage at least \$300,000 per occurrence and for a residential Customer the minimum coverage shall be at a standard homeowner's insurance policy with liability coverage in the amount of at least \$100,000 per occurrence. Prior to interconnection of the Generator with Utility's system, Customer shall furnish a properly executed certificate of insurance to Utility clearly evidencing the required coverage and any exclusions applicable to such coverage. The certificate shall provide that the insurance coverage shall not be canceled or modified unless and until Utility receives at least thirty (30) days prior written notice. Customer shall further replace such certificates for policies expiring during the period its Generator is interconnected with Utility's system. Utility has the right to refuse to establish or continue the interconnection of Customer's generation facility to Utility's system if such insurance is not in effect and its agreements shall be named as additional insured.

(b) Insurance on the premises where the Customer's Generator is located shall, by endorsement to the policy or policies, provide for thirty (30) days of written notice to Utility prior to cancellation, termination, alteration, or material change of such insurance.

10. FORCE MAJEURE:

For purposes of this Agreement, Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, terrorism, insurrection, riot, fire, storm, flood or other extreme weather condition, 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 caused beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

11. NON-WARRANTY:

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

12. EFFECTIVE TERM AND TERMINATION RIGHTS:

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. The Agreement may be terminated in accordance with the following:

(a) If Customer desires to terminate the Agreement, Utility will agree to such termination if Utility is satisfied that Customer no longer can operate Customer's Generator in parallel with Utility's system at the premises and all bills for services previously rendered to Customer, plus any applicable termination charges, have been paid. Utility may waive the termination charges if Utility has secured or expects to secure from a new occupant or operator of the premises an Agreement satisfactory to Utility for the interconnection to Utility for a term not less than the unexpired portion of Customer's Agreement.

(b) Utility, in addition to all other legal remedies, may either terminate the Agreement or suspend interconnection with Customer

(1) for any default or breach of Agreement by Customer,

(2) for failure to pay any applicable bills when due and payable,

(3) for a condition on Customer's side of the point of interconnection actually known by Utility to be, or which Utility reasonably anticipates may be, dangerous to life or property,

(4) if Customer either fails to energize the Generator within 12 months of the Effective Date of this Agreement or permanently abandons the Generator, or

(5) by giving the Customer at least sixty days notice in the event that there is a material change in an applicable rule or statute concerning interconnection and parallel operation of the Generator, unless the Customer's installation is exempted from the change or the Customer complies with the change in a timely manner. No such termination or suspension, however, will be made by Utility without written notice delivered to Customer, personally or by mail, stating what in particular in the Agreement has been violated, except that no notice need to be given in instances set forth in 12 (b)(3) above. Failure to operate the Generator for any consecutive 12 month period after the Effective Date shall constitute permanent abandonment unless otherwise agreed to in writing between the Parties.

13. GENERAL:

(a) This Agreement and any other applicable documents are subject to changes or substitutions, either in whole or in part, as may be necessary to conform to applicable law. Unless specified otherwise, any such changes or substitutions shall become effective immediately and shall nullify all prior provisions in conflict therewith.

(b) Headings: The descriptive headings of the various 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.

14. ENTIRE AGREEMENT:

This Agreement and the documents attached hereto constitute the entire Agreement between the Parties relating to the subject matter hereof, there being no other agreements or understandings, written or oral, other than those contained in this Agreement and the attachments hereto. This Agreement does not modify, change or impact any other agreement between the Parties relating to the supply of electric service, or the sale of, or purchase of, electric power.

15. AMENDMENTS:

The Parties may amend this Agreement but such amendment may only be effective and enforceable if it is set forth in a written instrument signed by both Parties.

16. ASSIGNMENT:

Customer shall not assign its rights nor delegate its duties under this Agreement without Utility's written consent. Any assignment or delegation Customer makes without Utility's written consent shall not be valid. Utility shall not unreasonably withhold its consent to Customer's assignment of this Agreement. An assignee or new customer must obtain Utility's written approval before any assignment shall occur. Customer assumes the responsibility of ensuring a new customer or assignee is aware the new customer or assignee must obtain Utility's written acceptance or the equipment must be removed or disabled to prevent future interconnection and/or operation.

17. THIRD PARTIES:

This Agreement is intended solely for the benefit of the parties hereto. 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 of this Agreement.

18. GOVERNING LAW:

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

19. SEVERABILITY:

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such portion or provision shall be deemed separate and independent, and the remainder of this Agreement shall remain in full force and effect.

20. WAIVER:

No delay or omission in the exercise of any right under this Agreement shall impair any such right or shall be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. In the event that any agreement or covenant herein shall be breached and thereafter waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

21. CUSTOMER CERTIFICATION:

By signing this Agreement below, Customer hereby certifies that, to the best of Customer's knowledge, all of the information provided to the Utility in connection with electric service, interconnection and/or sale pursuant to this Agreement is true and correct, and that Customer has received and reviewed this Agreement.

22. ACCEPTANCE AND SIGNATURES:

Upon the acceptance hereof by, Utility evidenced by the signature of its authorized representative appearing below, this document shall be an Agreement for the interconnection of Customer's Generator to Utility's system.

Witness as to Member:

(Customer)

By:

[Name]

Title:

Date:

Accepted:

Fayetteville Public Works Commission By:

[Name]

Title:

Date:

Appendix A

List of Applicable Standards

1. IEEE 929 – Recommended Practice for Utility Interface of Photovoltaic (PV) Systems, latest published edition)
2. IEEE 1547 – Standard for Interconnecting Distributed Resources with Electric Power Systems, latest published edition
3. IEEE 1547.1 –2005 Standard Conformance Test Procedures for Interconnection Distributed Energy Resources with Electric Power Systems
4. IEEE P1547.3 Draft: Guide for Monitoring, Information Exchange, and Control of Distributed Resources Interconnected with Electric Power Systems
5. UL 1741 – Inverters, Converters and Controllers for use in Independent Power Systems, latest published edition
6. NFPA 70 – National Electrical Code, latest published edition