# BIG HORN RURAL ELECTRIC COMPANY INTERCONNECTION AGREEMENT

## INTERCONNECTION AGREEMENT

# **TABLE OF CONTENTS**

INTERC	ONNECTION AGREEMENT	Page No.
	Scope and Limitations of Agreement	
Article 1.	Scope and Limitations of Agreement	0-
1.1		6-
1.2		6-
1.3		6-
1.4		7-
1.5	Responsibilities of the Parties	7-
1.6	Parallel Operation Obligation	8-
1.7	Metering	8-
1.8	Reactive Power	8-
1.9		-8-
Article 2.	Inspection, Testing, Authorization and Right of Access	8-
2.1		0
2.1		
2.2	1	
2.3	Right of Access	9-
Article 3.	Effective Date, Term, Termination, and Disconnection	10-
3.1	Effective Date	10-
3.2	Termination	10-
3.3	Temporary Disconnection	11-
	3.3.1 Emergency Conditions	
	3.3.2 Routine Maintenance, Construction, and Repair	11-
	3.3.3 Forced Outages	12-
	3.3.4 Adverse Operating Effects	12-
	3.3.5 Modification of the Small Generating Facility	12-
	3.3.6 Reconnection	12-
Article 4.	Cost Responsibility for Interconnection Facilities and Distribution	1
	Upgrades	13-
4.1	Interconnection Facilities	13-
4.2	Distribution Upgrades	13-

4.3	Queue Position	13-
Autials 5 O	aat Daananaihility fan Natyyank Unavadaa	1 /
5.1	ost Responsibility for Network Upgrades	
	Network Upgrades	
5.2	Network Opgrades	14
Article 6. B	illing, Payment, Milestones, and Financial Security	14-
6.1	Billing and Payment Procedures and Final Accounting	14
6.2	Milestones	14-
Article 7 A	ssignment, Liability, Indemnity, Force Majeure, Consequential	
	amages, and Default	15-
7.1	Assignment	
7.2	Limitation of Liability	
7.3	Indemnity	
7.4	Consequential Damages	16-
7.5	Force Majeure	17-
7.6	Default	17-
Article 8. In	isurance	18-
8.1		18-
8.2		
8.3		18-
Article 9. C	onfidentiality	19-
0.1		10
9.1		
9.2		19-
Article 10.	Disputes	19-
10.1		19-
10.2		
10.3		
10.4		
10.5		
10.6		
10.0		
Article 11.	Γaxes	20-
11.1		20-

11.2		20-
Article 12. M	Miscellaneous	20-
12.1	Governing Law, Regulatory Authority, and Rules	20-
12.2	Amendment	20-
12.3	No Third-Party Beneficiaries	21-
12.4	Waiver	21-
12.5	Entire Agreement	21-
12.6	Multiple Counterparts	21-
12.7	No Partnership	21-
12.8	Severability	22-
12.9	Security Arrangements	22-
12.10	Environmental Releases	22-
12.11	Subcontractors	22-
Article 13. N	Notices	23-
13.1	General	23-
13.2	Billing and Payment	
13.3	Alternative Forms of Notice	
13.4	Designated Operating Representative	24-
13.5	Changes to the Notice Information	25-
Article 14. S	Signatures	26-
Exhibits 1 - (	6	27 - 34

#### INTERCONNECTION AGREEMENT

- Exhibit 1 Glossary of Terms
- <u>Exhibit 2</u> Description and Costs of the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Other Related Costs
- Exhibit 3 One- line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades
- Exhibit 4 Milestone
- <u>Exhibit 5</u> Additional Operating Requirements for the Cooperative's Transmission and/or Distribution System Needed to Support the Interconnection Customer's Needs
- Exhibit 6 Cooperative's Description of its Upgrades and Best Estimate of Upgrade Costs

# INTERCONNECTION AGREEMENT

This II	NTERCONNECTION AGRE day of	EMENT ("Agreen by and	ment") is made and entered into this  I between Big Horn Rural Electric
("Inter	any, a rural electric cooperative connection Customer"), each eferred to collectively as the "	hereinafter somet	d between Big Horn Rural Electric ), and imes referred to individually as "Party" or
Coope	erative Information		
	Cooperative: Big Horn Rura Attention: General Manager Address: PO Box 270 City: Basin State: WY Phone: 307-569-2419	Zip: <u>82410</u>	
Interco	Attention:		
	City:Phone:	State:	Zip:
			(Big Horn to Fill Out)
In con	sideration of the mutual cover	nants set forth here	ein, the Parties agree as follows:
Articl	e 1. Scope and Limitations	of Agreement	
1.1	•		nection Requests submitted under the reconnection of Distributed Resources
1.2	This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Cooperative's Transmission and/or Distribution System.		
1.3	Interconnection Customer's that the Interconnection Customer Agreements, Tariff protherwise noted, the rates characteristics.	power. The purch stomer may require rovisions, or other narged for usage of	ent to purchase or deliver the hase or delivery of power and other services will be covered under separate Purchase agreements, as applicable. Unless f electricity and the credit for production of d tariffs as NM – Net Metering and AV –

Avoided cost.

1.4 Nothing in the Agreement is intended to affect any other agreement between the Cooperative and the Interconnection Customer.

#### 1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations of the state of Wyoming, Operating Requirements, and Good Utility Practice or Good Distributed Generation Practice (as applicable).
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, Good Utility Practice and/or Good Distributed Generation Practice (if applicable), all Wyoming statutes and regulations, and any other requirements imposed by the Cooperative.
- 1.5.3 The Cooperative shall construct, operate, and maintain its Transmission and Distribution System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct and operate its facilities or systems in accordance with Good Distributed Generation Practice, including but not limited to applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, the Institute of Electrical and Electronic Engineers (IEEE) standards 1547 and 1547.1, Underwriter's Laboratory, and Operating Requirements and other applicable national and state codes and standards, as well as all Wyoming statutes and regulations. Without limiting the foregoing, the Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Cooperative.
- 1.5.5 Each party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Exhibits to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Cooperative and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Cooperative's Transmission and/or Distribution System, personnel, and other persons from damage and injury. There shall be installed by the Interconnection Customer appropriate disconnect facilities, as determined by the Cooperative, which shall

include a lockable disconnect and a visible open that are accessible to and operable by authorized personnel at all times. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Exhibits to this Agreement.

#### 1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to: 1) the rules and procedures concerning the operation or generation set forth in the Tariff or Purchase Power Agreement for the Cooperative's Transmission and/or Distribution System; 2) the Operating Requirements set forth in Exhibit 5 of this Agreement; and 3) Good Distributed Generation Practice.

#### 1.7 Metering

Except as otherwise required by law, the Interconnection Customer shall be responsible for the Cooperative's costs incurred for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Exhibits 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

#### 1.8 Reactive Power

- 1.8.1 The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range specified in Exhibit 5 of this Agreement.
- 1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Exhibit 1 or the body of this Agreement.

#### Article 2. Inspection, Testing, Authorization, and Right of Access

#### 2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection and no less than once every four years during the term of said Interconnection Agreement. The Interconnection Customer shall notify the Cooperative of such activities no fewer than five Business Days (or as may be otherwise agreed to by the Parties in writing) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Cooperative may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and

- observe the testing. The Interconnection Customer shall provide to the Cooperative a written test report when such testing and inspection is completed.
- 2.1.2 The Cooperative shall provide to the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Cooperative of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

#### 2.2 Authorization Required Prior to Parallel Operation

- 2.2.1 The Cooperative shall use Reasonable Efforts to list applicable parallel operation requirements and operational test criteria in Exhibit 5 of this Agreement. Additionally, the Cooperative shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Cooperative shall make Reasonable Efforts to cooperate with the Interconnection Customer to commence parallel operations by the in-service date.
- 2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Cooperative's Transmission System without prior written authorization of the Cooperative. The Cooperative will provide such authorization once the Cooperative receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements to ensure that said operation will be consistent with safety, reliability and power quality standards. Such authorization shall not be reasonably withheld, conditioned, or delayed.

### 2.3 Right of Access

- 2.3.1 Upon reasonable notice, the Cooperative may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Cooperative at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.
- 2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or potentially hazardous condition, the Cooperative shall have access

to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if the Cooperative otherwise believes it necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

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

#### 3.1 Effective Date

- 3.1.1 This Agreement shall become effective upon execution by the Parties. The Cooperative shall promptly file this Agreement with the Wyoming Service Commission ("Commission") upon execution, if required.
- 3.1.2 This Agreement shall become effective on the Effective Date and shall remain in effect for a period of <u>20</u> years from the Effective Date, and shall thereafter be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.2 of this Agreement.
- 3.1.3 If a Facility modification directly impacts Interconnection Facilities then the Parties must mutually agree on the allocation of the costs of such impact, unless terminated by mutual agreement earlier in accordance with Article 3.2 of this Agreement. Nothing herein shall be deemed to preclude the Cooperative's right to modify its operational parameters described in Exhibit 5.

#### 3.2 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

- 3.2.1 The Interconnection Customer may terminate this Agreement at any time by giving the Cooperative 20 Business Days written notice.
- 3.2.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.
- 3.2.3 Either Party may terminate this Agreement at the end of the then existing term by providing at least thirty (30) days written notice to the other before the commencement of the subsequent one-year renewal period.
- 3.2.4 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Cooperative's Transmission and/or Distribution System, as applicable. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is

responsible for these costs under this Agreement.

- 3.2.5 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.
- 3.2.6 The provisions of this article shall survive termination or expiration of this Agreement.

#### 3.3 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice, which includes, but is not limited to, any of the circumstances set forth below.

3.3.1 Emergency Conditions – "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Cooperative, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission or Distribution System, the Cooperative's Interconnection Facilities; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Cooperative may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Cooperative shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Cooperative promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Cooperative's Transmission and/or Distribution System. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

#### 3.3.2 Routine Maintenance, Construction and Repair

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

temporary disconnection with the Interconnection Customer.

#### 3.3.3 Forced Outages

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

#### 3.3.4 Adverse Operating Effects

The Cooperative shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration or service to other customers served from the electric system, or if operating the Small Generating Facility could cause damage to the Cooperative's Transmission, Distribution System, or Interconnection Facilities. Supporting documentation used to reach the decision to disconnect or Derate shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Cooperative may disconnect or Derate the Small Generating Facility and, at its option, terminate this Agreement.

#### 3.3.5 <u>Modification of the Small Generating Facility</u>

The Interconnection Customer must receive written authorization from the Cooperative before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission, Distribution System, or Interconnection Facilities. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Distributed Generation Practice. If the Interconnection Customer makes such modification without the Cooperative's prior written authorization, the latter shall have the right to temporarily or permanently disconnect the Small Generating Facility and/or terminate this Agreement.

#### 3.3.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Cooperative's Transmission and/or Distribution System (as applicable) to their normal operating state as soon as reasonably practicable following a temporary disconnection.

#### Article 4. Cost Responsibility for Interconnection Facilities, Distribution Upgrades,

#### **Transmission Upgrades and Other Related Costs**

#### 4.1 <u>Interconnection Facilities</u>

- 4.1.1 The Interconnections Customer shall pay for the cost of the Interconnection Facilities itemized in Exhibit 2 of this Agreement. The Cooperative shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Cooperative.
- 4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintain, repairing, and replacing the Cooperative's Interconnection Facilities.
- 4.1.3 The Interconnection Customer shall be responsible for other costs relative to the proposed interconnection project. Said costs shall include labor, expenses, overheads and other related costs for such things as: review of application; feasibility study; consultant(s) costs to review/monitor proposed project; costs incurred by Big Horn's wholesale power supplier for evaluation; system upgrade, meter and metering costs; attorney fees; etc.

### 4.2 <u>Distribution Upgrades</u>

The Cooperative shall design, procure, construct, install, and own the Distribution Upgrades described in Exhibit 6 of this Agreement. If the Cooperative and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

#### 4.3 Queue Position

As provided in the Policies and Procedures, the Cooperative shall assign a Queue Position based upon the date-and time-stamp of the Interconnection Request. The Queue Position of each Interconnection Request will be used to determine the cost responsibility of the Upgrades necessary to accommodate the interconnection. The Cooperative shall maintain a single queue per geographic region. At the Cooperative's option, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.

#### **Article 5. Cost Responsibility for Network Upgrades**

#### 5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

### 5.2 Network Upgrades

The Cooperative shall design, procure, construct, install, and own the Network Upgrades described in Exhibit 6 of this Agreement. If the Cooperative and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Cooperative elects at its discretion to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

#### Article 6. Billing, Payment, Milestones, and Financial Security

#### 6.1 Billing and Payment Procedures and Final Accounting

- 6.1.1 The Cooperative shall bill the Interconnection Customer an estimated amount for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades, and other related costs contemplated by this Agreement. The Interconnection Customer shall pay the estimate amount within 30 calendar days of receipt, or as otherwise agreed to by the Parties in writing.
- 6.1.2 Within three months of completing the construction and installation of the Cooperative's Interconnection Facilities and/or Upgrades described in the Exhibits to this Agreement, the Cooperative shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Cooperative for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Cooperative shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Cooperative within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Cooperative shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

#### 6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Exhibit 4 of this Agreement. A Party's obligations under this provision may be extended by written agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable

alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Exhibit 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) it will suffer material uncompensated economic or operational harm from the delay, or (2) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

# Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

#### 7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

- 7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Cooperative of any such assignment and the assignee agrees in writing to abide by all terms and conditions of this agreement;
- 7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Cooperative, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Cooperative of any such assignment.
- 7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

#### 7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. Neither Party shall be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

#### 7.3 Indemnity

- 7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.
- 7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.
- 7.3.5 Promptly after receipt by and indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

#### 7.4 Consequential Damages

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

#### 7.5 Force Majeure

- 7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."
- 7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

#### 7.6 Default

- 7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided below, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.
- 7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is

- entitled at law or in equity. The provisions of this article will survive termination of this Agreement.
- 7.6.3 Notwithstanding anything in this Agreement to the contrary, in the event of any Default by the Interconnection Customer that the Cooperative believes may have a material impact on the safety or reliability of the Transmission and/or Distribution System or that may otherwise cause an Emergency Condition or endanger life or property, the Cooperative shall have the immediate right to terminate this Agreement. In that case, the Cooperative shall have the right to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

#### Article 8. Insurance

- 8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Cooperative, except that the Interconnection Customer shall show proof of insurance to the Cooperative no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such proposal shall not be unreasonably rejected.
- 8.2 The Cooperative agrees to maintain general liability insurance or self-insurance consistent with the Cooperative's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Cooperative's liabilities undertaken pursuant to this Agreement.
- 8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

#### **Article 9. Confidentiality**

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that the Party claiming confidentiality believes, in good faith contains trade secrets or other confidential research, development, commercial, customer usage, financial, vendor or bid information, the unpermitted disclosure or misuse of which could reasonably cause cognizable harm to the Party claiming confidentiality ("Confidential Information"). In providing the Confidential Information, the Party claiming confidentiality shall clearly mark or otherwise designate the information as "Confidential." Notwithstanding the above, all design, system or operating specifications, and metering data provided by or to the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such. In addition, as a condition to providing the Confidential Information, the Party claiming confidentiality may require the other Party to execute a confidentiality or protective agreement on terms mutually acceptable to the Parties setting forth the terms and conditions of the confidentiality arrangement.
- 9.2 Notwithstanding the above, Confidential Information does not include information in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
  - 9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
  - 9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages and may seek other remedies available at law or in equity for breach of this provision.

#### **Article 10. Disputes**

- 10.1 The Parties agree to attempt to resolve all disputes arising out of this Agreement according to the provisions of this Article 10.
- 10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3 If the dispute has not been resolved within 10 Business Days after receipt of the Notice,

either Party shall have the right to request the Commission, or other third party mutually agreed upon, serve as an arbiter of last resort. In such an event, the Commission will use an informal expedited process to resolve the dispute within 30 days of the date of the request. In doing so, the Commission shall have the right to authorize its Chairman, or his/her designee (which designee may be another Commissioner, a member of the Commission staff, a Commission hearing officer, or a Commission hired consultant) to take any such action on behalf of the Commission, in consultation with other Commissioners and Commission staff. There shall be no right to hearing or appeal from this informal expedited dispute resolution process.

- 10.4 Notwithstanding the above, each Party also has the option of availing itself of formal relief with the Commission, pursuant to the Commission's applicable Rules of Practice and Procedure, and Wyoming state law.
- 10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half each of any costs paid to neutral third parties.
- 10.6 If neither Party elects to seek assistance from the Commission, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of the Cooperative's Distributed Generation Interconnection Policies and Procedures.

#### Article 11. Taxes

- 11.1 The Parties agree to follow all applicable local state and federal tax laws and regulations, consistent with Internal Revenue Service requirements.
- 11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Cooperative's tax-exempt status with respect to this issuance of bonds including, but not limited to, local furnishing bonds.

#### Article 12. Miscellaneous

#### 12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of Wyoming (i.e., where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

#### 12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

#### 12.3 No Third-Party Beneficiaries

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, their successors in interest and where permitted, their assigns.

#### 12.4 Waiver

- 12.4.1 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 a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- 12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Cooperative. Any waiver of this Agreement shall, if requested, be provided in writing.

#### 12.5 Entire Agreement

This Agreement, including all Exhibits, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

#### 12.6 <u>Multiple Counterparts</u>

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

#### 12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

#### 12.8 <u>Severability</u>

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 or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

#### 12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. In recognition of this, the Parties agree to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority.

#### 12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generation Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

#### 12.11 Subcontractors

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

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

The obligations under this article will not be limited in any way by 12.11.2 any limitation of subcontractor's insurance.

#### **Article 13. Notices**

#### 13.1 General

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

	If to the Interconnection Customer:
	Interconnection Customer:
	Attention:
	Address:
	Address: State: Zip:
	Phone:Fax:
	If to the Cooperative:
	Cooperative: Big Horn Rural Electric Company
	Attention: <u>General Manager</u>
	Address: PO Box 270
	City: <u>Basin</u> State: <u>WY</u> Zip: <u>82410</u>
	Phone: <u>307-568-2419</u> Fax: <u>307-568-2402</u>
	Notwithstanding the above, all notices, demands and other communications which are
	required or which may be given under or in connection with this Agreement shall be in
	writing and shall be deemed to have been duly given and received when delivered in
	person or, if mailed, three (3) Business Days after being deposited in the United States
	mail and postmarked, certified or registered mail, postage prepaid, or, if by facsimile, the
	Business Day following the facsimile.
13.2	Billing and Payment
	Billings and payments shall be sent to the addresses set out below:
	Interconnection Customer:
	Attention:
	Address:
	Address:
	Phone: Fax:

Coope	rative: Big Horn Rural F Attention: Q Address: ] City: Basin Phone: 307-568	General Mana PO Box 270 State: WY	ger Zip:	82410 307-568-2402			
13.3	Alternative Forms of Notice Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:			in writing may be so given by telephone,			
	Attention:	Customer:		Zip:			
		eneral Manage Box 270 State:	<u>wy</u>	Zip: 82410 307-568-2402			
13.4	which may be necessar	esignate operary or convenie as the point of	nting rep nt for th	epresentatives to conduct the communications the administration of this Agreement. This et with respect to operations and maintenance			
	Interconnection Customer's Operating Representative:						
	Interconnection Attention: Address:						
	City:Phone:		State:	Zip:			

Cooperative's Operating Representative:

Name: <u>Jeff Pillow</u>

Attention: General Manager
Address: PO Box 270

City: Basin State: WY Zip: 82410

Phone: 307-568-2419 Fax: 307-568-2402

## 13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

# **Article 14. Signatures**

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

For the Cooperative: Big Horn Rural Electric Company
Signature:
Name:
Title:
Date:
For the Interconnection Customer
Signature:
Name:
Title:
Deter

#### **GLOSSARY OF TERMS**

**Allowed Net Capacity** - The maximum electrical output of the Interconnection Customer's Small Generating Facility in Kilowatts (KW), which is used by the Cooperative for establishing a maximum instantaneous KW output from the Interconnection Customer's Small Generating Facility for planning and operating the Cooperative's system.

**Applicable Laws and Regulations** - All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

**Business Day** - Monday through Friday, excluding Federal and State Holidays.

**Commission** - the Wyoming Public Service Commission.

**Cooperative** - Big Horn Rural Electric Company, which is the member-owned electric cooperative serving the state of Wyoming.

**Default** - The failure of a breaching Party to perform or comply with any provisions in the Small Generator Interconnection Agreement.

**Derate/Deration** - Reduction of Allowed Net Capacity.

**Distribution System** - The Cooperative's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

**Distribution Upgrades** - The additions, modifications, and upgrades to the Cooperative's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in intrastate commerce. Distribution Upgrades do not include Interconnection Facilities.

Good Distributed Generation Practice - Any of the practices, methods and acts engaged in or approved by a significant portion of the distributed generation industry during the relevant time period, or any of the practices, methods or acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Distributed Generation Practices is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region. Without limiting the

generality of the above, Good Distributed Generation Practices shall at all times mean actions in compliance with Applicable Laws and Regulations, the National Electric Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements and other applicable national and state codes, standards and requirements, as well as to utilize reasonably best efforts to minimize the likelihood of any disturbance or other impact adversely affecting or impairing the system or equipment of Big Horn Rural Electric Company from a safety, reliability and/or power quality standpoint.

Good Utility Practice - Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority - Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rule making board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Cooperative, or any Affiliate thereof.

**Interconnection Customer** - Any entity that proposes to interconnect its Small Generating Facility with the Cooperative's Transmission and/or Distribution System.

Interconnection Facilities - The Cooperative's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Cooperative's Transmission and/or Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

**Interconnection Request** - The Interconnection Customer's request, in accordance with the Policies and Procedures, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Cooperative's Transmission and/or Distribution System.

**Material Modification** - A modification that has a material impact on the cost or timing of any Interconnection Request.

#### **NEM** - Net Energy Metering.

**Network Upgrades** - Additions, modifications, and upgrades to the Cooperative's Transmission and/or Distribution System required at or beyond the point at which the Small Generating Facility interconnects with the Cooperative's Transmission and/or Distribution System to accommodate the interconnection of the Small Generating Facility with the Cooperative's Transmission and/or Distribution System. Network Upgrades do not include Distribution Upgrades.

**Operating Requirements** - Any operating and technical requirements that may be applicable due to the control area, or the Cooperative's requirements, including those set forth in Big Horn Rural Electric Company's Small Generator Interconnection Agreement and/or the Policies and Procedures.

**Party or Parties** - The Cooperative and the Interconnection Customer, either individually (Party) or together (Parties).

**Point of Interconnection** - The point where the Interconnection Facilities connect with the Cooperative's Transmission and/or Distribution System.

**Policies and Procedures** - The document titled Small Generator Interconnection Policies and Procedures (For Distributed Generation Facilities No Larger Than 25 KW).

**Queue Position** - The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Cooperative.

**Reasonable Efforts** - With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice or Good Distributed Generation Practice (as applicable) and are otherwise substantially equivalent to those a Party would use to protect its own interests.

**Small Generating Facility** - The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

**Transmission System -** The facilities owned, controlled or operated by the Cooperative.

**Upgrades** - The required additions and modifications to the Cooperative's Transmission and/or Distribution System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

# DESCRIPTION AND COSTS OF THE SMALL GENERATING FACILITY, INTERCONNECTION FACILITIES, METERING EQUIPMENT, AND OTHER RELATED PROJECT COSTS

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer or the Cooperative. The Cooperative will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment. The Cooperative will also provide a best estimate itemized cost of other related costs such as application review, feasibility study, engineering, attorney, consultant(s), inspection, etc.

**Note:** All equipment for the generating facility and interconnection facilities including the lockable disconnect with a visible open are all owned by the Customer. The Customer is to install the disconnect within five feet of Big Horn's meter pole. The disconnect shall be attached to a proper backing on a post/pole. All equipment and facilities past the meter (including the wiring to the disconnect) belong to the Customer. The Customer is to make sure all installed equipment is UL listed.

#### **EXHIBIT 3**

# ONE- LINE DIAGRAM DEPICTING THE SMALL GENERATING FACILITY, INTERCONNECTION FACILITIES, METERING EQUIPMENT, AND UPGRADES

See attached Sheet marked Exhibit 3

# **MILESTONES**

Parallel operation In-Service Date:	
Critical milestones and responsibilities as agreed to by the Parties:	

	Milestone/Date	Responsible Party
(1)	Application received - deposit received	Customer
<b>(2)</b>	Application reviewed and comments provided to installer	Big Horn
(3)	Interconnection Agreement Exhibits completed	Big Horn
<b>(4)</b>	Interconnection Agreement signed	Big Horn
	Interconnection Agreement signed by member	Customer
<b>(5)</b>	Bill to customer for estimated equipment const and non	
	Equipment costs associated with project – emailed to	Big Horn
<b>(6)</b>	Customer/test inspect its facilities prior to Interconnect	Customer/Installer
	Big Horn to be notified two days prior to testing and State Electrical	1
	Inspector to be at test/inspection	
<b>(7)</b>	Statement from State Electrical Inspector noting inspection	n Customer/Installer
	and passing/approving of installation & equipment	
(8)	Test results to be provided to Big Horn	Customer/Installer
<b>(9)</b>	Statement from licensed electrical engineer or other	
	Qualified representative certifying that the design and installation is	
	To safe design and operating standards (Item 9 of Exhibit 5)	
<b>(10)</b>	Payment for estimated equipment and non-equipment cost	sts Customer
	Customer to be paid	
(11)	Interconnection project to run parallel with Big Horn's	Customer/Big Horn
	System – Customer & Big Horn to be on site	
(12)	Final accounting provided to Customer of related project	Big Horn
	Costs	
(13)	Final costs to be paid	Customer

Agreed to by:	
BIG HORN RURAL ELECTRIC COMPANY	
Ву	Ву
Name:	Name:
Title:	Title:
Date:	Date

# ADDITIONAL OPERATING REQUIREMENTS FOR THE COOPERATIVE'S TRANSMISSION AND/OR DISTRIBUTION SYSTEM NEEDED TO SUPPORT THE INTERCONNECTION CUSTOMER'S NEEDS

The Cooperative shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation and operations test criteria after connecting with the Cooperative's Transmission and/or Distribution System.

- 1. Interconnecting customer's standard operating procedures shall be subject to the Cooperative's review and approval.
- 2. Interconnecting customer shall meet IEEE 929 and UL 1741 standards and guidelines as not to cause an adverse effect on Big Horn Rural Electric Company's system.
- 3. Interconnecting customer shall not alter, modify or otherwise change any protective relay or control characteristics of the facility without Big Horn Rural Electric Company approval.
- 4. Testing of operational criteria before and after parallel operation will be done in accordance with Good Utility Practice.
- 5. Inverter under frequency set points must be adjustable down to 57.0 Hz and over frequency set points must be adjustable up to 60.5 Hz.
- 6. Interconnecting customer must be willing and able to adjust frequency set points from a range of 57.0-60.5 Hz give by Big Horn Rural Electric Company as to preserve grid stability.
- 7. Interconnection customer must be willing and able to generate report of inverter activities based on request by Big Horn Rural Electric Company within 30 days of request.
- 8. The Interconnection Project will incorporate the Institute of Electronic Engineers (IEEE) standards 1547 and 1547.1.
- 9. Interconnection Customer must provide a statement from a licensed professional electrical engineer or from another qualified representative certifying that the design and installation of the generating facility and the Interconnection Customer's equipment comply with utility requirements and with reasonable interconnection safety and design standards and with prudent electrical practices.

# COOPERATIVE'S DESCRIPTION OF ITS UPGRADES AND BEST ESTIMATE OF UPGRADE COSTS

The Cooperative shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Cooperative shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

**NOTE:**