

**AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION
OF A NET METERED QUALIFYING COGENERATION
OR SMALL POWER PRODUCTION FACILITY**

**OPERATED BY _____,
OPERATOR OF A _____ FACILITY
AT _____, NEAR _____, OHIO**

This Agreement (“Agreement”) dated as of _____, by and between PAULDING PUTNAM ELECTRIC COOPERATIVE, INC., an Ohio nonprofit corporation (the “Power Company”), and _____ (the “Consumer”) together with the Power Company, individually, a “Party” and, collectively, the “Parties”;

WITNESSETH:

WHEREAS, the Consumer has or will install on the Premises certain Consumer-owned electric generating facilities of approximately ___kW in the aggregate, which electric generating facilities are more particularly described in Attachment E attached hereto; and

WHEREAS, the electric Generating Facility is a certified qualifying cogeneration or small power production facility under PURPA; and

WHEREAS, the Consumer desires to interconnect the Electric Generating Facility to the Power Company’s electric distribution system;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements herein contained, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1 – DEFINITIONS

Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Agreement for Electric Service. Whenever used in the Agreement, the following terms shall have the following meanings:

Agreement for Electric Service shall mean the Agreement for Electric Service of even date herewith between Power company and the Consumer,

Buckeye shall mean Buckeye Power, Inc. and its successors and assigns.

Electric Generating Facility shall mean the Consumer’s electric generating units identified in Attachment E hereof, the output of which is approximately _____ kW in the aggregate, but which shall not exceed [25] [OR] [100] kW in the aggregate, and which facility is

not reasonably anticipated to exceed the annual electric energy requirements of Consumer's electric consuming facilities located on the Premises.

Emergency shall mean a condition or situation (a) that in the judgment of Power Company or Consumer is imminently likely to endanger life or property, (b) that in the sole judgment of Power Company is imminently likely to adversely affect or impair the Power Company Distribution System or the electrical or transmission systems of others to which the Power Company Distribution System is directly or indirectly connected, including, without limitation, the transmission system of Transmission Owner, or (c) that in the sole judgment of the Consumer is imminently likely to adversely affect or impair the Electric Generating Facility.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant proportion of the electric utility 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 the lowest reasonable cost consistent with 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 a spectrum of acceptable practices, methods or acts.

Interconnection Facilities shall mean all facilities presently in place or presently proposed to be installed, as identified in Attachment A hereof, or facilities which are later installed, in order to interconnect the Electric Generating Facility to the Power Company Distribution System, including System Protection Facilities.

Interconnection Service shall mean the services provided by the Power Company to interconnect the Electric Generating Facility with the Power Company Distribution System pursuant to the terms of this Agreement.

Net Metering Equipment shall mean the single bi-directional meter or pair of meters currently installed at the Point of Interconnection or to be install at the Point of Interconnection as described in Attachment B hereof.

NERC shall mean the North American Electric Reliability Council, and any successor thereto.

Point of Interconnection shall mean the point or points, shown in Attachment A hereof, where the Consumer's Interconnection Facilities interconnect with the Power Company Distribution System.

Power Company Distribution System shall mean all electric distribution facilities owned or controlled by Power Company on Power Company's side of the Point of Interconnection, including, without limitation, Power Company's Interconnection Facilities.

ReliabilityFirst shall mean ReliabilityFirst Corporation, one of the regional reliability councils of NERC formed to promote reliability and adequacy of bulk power supply of the electric utility systems in North America, and any successor thereto.

System Protection Facilities shall mean the equipment required to protect (a) the Power Company Distribution System, the system of others directly or indirectly connected to the Power Company Distribution System, including without limitation, the transmission system of

Transmission Owner, and Power Company's customers from faults or other electrical disturbances occurring at the Electric Generating Facility or otherwise on Consumer's side of the Point of Interconnection, and (b) the Electric Generating Facility from faults or other electrical disturbances occurring on the Power Company Distribution System or on the systems of others to which the Power Company Distribution System is directly or indirectly connected, including, without limitation, the transmission system of Transmission Owner.

Transmission Owner shall mean _____, owning transmission facilities to which the Power Company Distribution System is interconnected, and its successors and assigns.

Transmission Provider shall mean _____, providing transmission service through facilities owned by Transmission Owner, and its successors and assigns.

ARTICLE 2 – INTERCONNECTION SERVICE

Subject to the terms and conditions of the Agreement for Electric Service and this Agreement, Power Company shall provide Consumer with Interconnection Service for the Electric Generating Facility for the term of the Agreement for Electric Service.

ARTICLE 3 – OPERATION AND MAINTENANCE

- 3.1 Operation, Maintenance and Control of the Electric Generating Facility. The Consumer shall own, operate, maintain and control the Electric Generating Facility and Consumer's Interconnection Facilities (a) in a safe and reliable manner, (b) in accordance with Good Utility Practice, (c) in accordance with applicable operational and reliability criteria, protocols, and directives, including those of NERC, ReliabilityFirst, the Power Company, Transmission Owner and Transmission Provider (including, without limitation, those requirements of Power Company set forth in Attachment C hereof and those requirements, if any, of Transmission Owner or Transmission Provider set forth in Attachment D hereof), and (d) in accordance with the provisions of this Agreement. Consumer may operate the Electric Generating Facility in parallel and in synchronization with the electric power and energy provided by Power Company to Consumer pursuant to the Agreement for Electric Service, as an auxiliary or supplement to such electric power and energy and may use the output of the Electric Generating Facility to meet the requirements of Consumer's electric consuming facilities located on the Premises. Any output of the Electric Generating Facility in excess of the requirements of Consumer's electric consuming facilities located on the Premises shall be transferred to the Power Company and credited against the Consumer's bill for electric service in accordance with the net metering arrangements described in the Agreement, the Agreement for Electric Service, and the Net Metering Rate Schedule attached to the Agreement for Electric Service.
- 3.2 Protection and System Quality. Consumer shall, at its expense, provide, install, own, operate and maintain System Protection Facilities, including such protective and regulating devices as are required by NREC, ReliabilityFirst, the Power Company, Transmission Owner or Transmission Provider, or by order, rule or regulation of any duly-constituted regulatory authority having jurisdiction, or as are otherwise required by Good Utility Practice in order to protect persons and property and to minimize deleterious effects to the Power Company Distribution

System and the transmission system of Transmission Owner. Any such protective or regulating devices that may be required on Power Company's or Transmission Owner's facilities in connection with the operation of the Electric Generating Facility shall be installed by Power Company or Transmission Owner, as the case may be, at Consumer's expense. Power company reserves the right to modify or expand its requirements for protective devices in conformance with Good Utility Practice.

- 3.3 Inspection. Power Company shall have the right but shall have no obligation or responsibility to (a) observe Consumer's tests and inspections of any of Consumer's protective equipment, (b) review the settings of Consumer's protective equipment, and (c) review Consumer's maintenance records relative to the Electric Generating Facility and Consumer's protective equipment. The foregoing rights may be exercised by Power Company from time to time as deemed necessary by the Power Company upon reasonable notice to Consumer. However, the exercise or nonexercise by Power Company of any of the foregoing rights of observation, review or inspection shall be construed neither as an endorsement or confirmation of any aspect, feature, element, or condition of the Electric Generating Facility or Consumer's protective equipment or the operation thereof, nor as a warranty as to the fitness, safety, desirability, or reliability of same.
- 3.4 Disconnection. Upon termination of the Agreement for Electric Service by its terms, Consumer shall disconnect the Electric Generating Facility from the Power Company Distribution System. Power company shall have the right to disconnect, or to require the consumer to disconnect, the Electric Generating Facility immediately and without prior notice if, in the Power Company's sole opinion, an Emergency exists and immediate disconnect is necessary to protect persons or property from injury or damage. Power Company shall have the right to disconnect, or to require the Consumer to disconnect, the Electric Generating Facility with no less than seven (7) days prior notice if, in the Power Company's sole opinion, such disconnection is required in order for the Power Company to conduct maintenance, repairs or replacements of its facilities or the Power Company Distribution System. Consumer shall disconnect the Electric Generating Facility immediately if an Emergency exists and immediate disconnect is necessary to protect persons or property from injury or damage.

ARTICLE 4 – EMERGENCIES

The Consumer agrees to comply with NERC, ReliabilityFirst, Power Company, Transmission Owner and Transmission Provider Emergency procedures, as applicable, with respect to Emergencies (including, without limitation, those of requirements of the Power Company set forth in Attachment C hereof and those requirements, if any, of Transmission Owner or Transmission Provider set forth in Attachment D hereof). The Consumer shall provide the Power Company with oral notification that is prompt under the circumstances of an Emergency which may reasonably be expected to affect the Power Company Distribution System or the transmission system of Transmission Owner, to the extent the Consumer is aware of the emergency. To the extent the Consumer is aware of the facts of the Emergency, such notification shall describe the Emergency, the extent of the damage or deficiency, its anticipated duration, and the corrective action taken or to be taken, and shall be followed as soon as practicable with written notice. In the event of an Emergency, the party becoming aware of the Emergency may, in accordance with Good Utility Practice and using its reasonable judgment, take such action as is reasonable and necessary to prevent, avoid, or mitigate injury, danger, damage or loss.

ARTICLE 5 – MODIFICATIONS AND CONSTRUCTION

- 1.1 Modifications. Either party may undertake modifications to its facilities; provided that Consumer shall not increase the output of the Electric Generating Facility or make other material change or modification to the configuration or operation of the Electric Generating Facility without the prior written consent of Power Company and Buckeye. In the event that the Consumer plans to undertake a modification that reasonably may be expected to impact the Power Company's facilities, the Consumer shall provide the Power Company and Buckeye with sufficient information regarding such modification so that the Power Company and Buckeye can evaluate the potential impact of such modification prior to commencement of the work.
- 1.2 Construction.
- 1.2.1 Land Rights. Consumer shall furnish at no cost to Power Company any necessary access, easements, licenses, and/or rights of way upon, over, under, and across lands owned or controlled by Consumer and/or its affiliated interests for the construction, operation and maintenance by Power Company of necessary lines, substations, and other equipment to accomplish interconnection of the Electric Generating Facility with the Power Company Distribution System under this Agreement and the provision of electric service to the Consumer under the Agreement for Electric Service, and shall, at all reasonable times, give the Power Company, and its agents, free access to such lines, substations, and equipment. An accessible, protected and satisfactory site selected upon mutual agreement by the Parties and located on the Consumer's premises shall be provided by and at the Consumer's expense for installation of necessary net metering equipment, unless Power Company elects to install the net metering equipment on a location controlled by it.
- 1.2.2 Electric Generating Facility and Equipment Design and Construction. Consumer shall, at its sole expense, design, construct, and install the Electric Generating Facility and all equipment needed to interconnect the Electric Generating Facility with the Power Company Distribution System, except for any Interconnection Facilities to be constructed by Power Company pursuant to Attachment A hereof. The Consumer's Interconnection Facilities and equipment shall satisfy all requirements of applicable safety and engineering codes, including the Power Company's, and further, shall satisfy all requirements of any duly-constituted regulatory authority having jurisdiction and the requirements of Transmission Owner and Transmission Provider (including, without limitation, those requirements, if any, of Transmission Owner or Transmission Provider set forth in Attachment D hereof). Consumer shall submit all specifications for Consumer's Interconnect Facilities and equipment, including System Protection Facilities, to the Power Company for review at least ninety (90) days prior to interconnecting such Interconnection Facilities and equipment with the Power Company Distribution System. Power Company's review of Consumer's specifications shall be construed neither as confirming nor as endorsing the design, nor as any warranty as to fitness, safety, durability or reliability of Consumer's interconnection facilities or equipment. Power Company shall not, by reasons of such review or failure to review, be responsible for strength, details of design, adequacy or capacity of Consumer's Interconnection Facilities or equipment, nor shall Power Company's acceptance be deemed to be an endorsement of any facility or equipment. Consumer agrees to make changes to

its Interconnection Facilities and equipment as may be reasonably required to meet the requirements of the Power Company. In the event it becomes necessary for Power Company to alter, add to, relocate or rearrange the Interconnection Facilities or to rearrange or relocate existing Power Company-owned facilities which are not Interconnection Facilities to continue to conduct interconnected operations in accordance with Good Utility Practice, then Consumer shall pay for such work.

ARTICLE 6 – METERING

Power Company shall purchase and install Net Metering Equipment to meter the Power Company's electric service to the Consumer and the electric output of the Electric Generating Facility. Power Company shall own, operate and maintain the Net Metering Equipment. All costs associated with the purchase, installation, ownership, operation and maintenance of the interconnection equipment, as more fully described in Attachment B hereof shall be borne by Consumer.

ARTICLE 7 – INFORMATION REPORTING

Consumer shall promptly provide the Power Company all relevant information, documents, or data regarding the Consumer's facilities and equipment that have been reasonably requested by the Power Company.

ARTICLE 8 – INDEMNITY AND LIABILITY

Consumer agrees to fully indemnify, release, and hold Power Company, its members, trustees, officers, managers, employees, agents, representatives, and servants, Power Company's affiliated and associated companies, and their respective members, trustees, shareholders, directors, partners, stakeholders, officers, managers, employees, agents, representatives, and servants, and Power Company's successors and assigns, harmless from and against any and all claims, demands, liabilities, losses damages, costs and expenses (including attorney's fees and other costs of defense) of any nature or kind whatsoever, including, but not limited to, claims, demands and/or liabilities for personal injury to (including death of) any person whomever (including payments and awards made to employees or other under any workers' compensation law or under any plan for employees' disability and death benefits) and for damage to any property whatsoever (including Consumer's Electric Generating Facility, the Power Company Distribution system, and the transmission system of Transmission Owner) arising out of or otherwise resulting from the use, ownership, maintenance, or operation of the Electric Generating Facility or the Interconnect Facilities, regardless of whether such claims, demands or liability are alleged to have been caused by negligence or to have arisen out of Power Company's status as the owner or operator of facilities involved; provided, however, that the foregoing shall not apply to the extent that any such personal injury or property damage is held to have been caused by the gross negligence or intentional wrongdoing of Power Company or its agents or employees. Neither party shall be liable in statute, contract, in tort (including negligence), strict liability, or otherwise to the other party, its agents, representatives, affiliated and associated companies, or assigns, for any incidental or consequential loss or damage whatsoever, including, but not limited to, loss of profits or revenue, resulting from any party's performance or non-performance of an obligation imposed on it by this Agreement.

ARTICLE 9 – INSURANCE

- 9.1 Consumer shall obtain and maintain the following policies of insurance during the term of the Agreement: Comprehensive or Commercial General Liability insurance with bodily injury and property damage combined single limits of at least \$250,000 per occurrence if the Electric Generating Facility is 10 kW or less, \$1,000,000 per occurrence if the Electric Generating Facility is greater than 10 kW but less than 100 kW, and \$5,000,000 per occurrence if the Electric Generating Facility is 100 kW or greater. Such insurance shall include, but not necessarily be limited to specific coverage for contractual liability encompassing the indemnification provisions in Article 8, broad form property damage liability, personal injury liability, explosion and collapse hazard coverage, products/completed operations liability, and, where applicable, watercraft protection and indemnity liability.
- 9.2 The coverages requested in Section 9.1 above shall be “occurrence” form policies. In the event Consumer has “claims-made” form coverage, Consumer must obtain prior approval of all “claims-made” policies from Power Company.
- 9.3 Consumer shall cause its insurers to amend its Comprehensive or Commercial General Liability policies with the following endorsement items (a) through (e):
- (a) Power Company, and its directors, officers, and employees are additional Insureds under this Policy; and
 - (b) This insurance is primary with respect to the interest of Power Company, and its directors, officers, and employees and any other insurance maintained by them is excess and not contributory with this insurance; and
 - (c) The following cross liability clause is made a part of the policy: “In the event of claims being made by reasons of (i) personal and/or bodily injuries suffered by any employee or employees of one insured hereunder for which another insured hereunder is or may be liable, or (ii) damage to property belonging to any insured hereunder for which another insured is or may be liable, then this policy shall cover such insured against whom a claim is made or may be made in the same manner as if separate policies have been issued to each insured hereunder, except with respect to the limits of insurance; and
 - (d) Insurer hereby waives all rights of subrogation against Power Company, and its officers, directors and employees; and
 - (e) Notwithstanding any provision of the policy, this policy may not be canceled, non-renewed or materially changed by the insurer without giving thirty (30) days prior written notice to Power Company. All other terms and conditions of the policy remain unchanged.
- 9.4 Consumer shall cause its insurers or agents to provide Power Company with certificates of insurance evidencing the policies and endorsements listed above prior to interconnecting the Electric Generating Facility with the Power Company Distribution System, as well as copies of each annual renewal certificate for such policies and endorsements, promptly after such renewal certificates are issued. Power Company shall have the right to review the policies and endorsements listed above at any time during the term of this Agreement, and Consumer shall promptly provide copies of the same to Power Company upon its request. Failure of Power Company to obtain certificates of insurance does not relieve Consumer of the insurance requirements set forth herein. Failure to obtain the insurance

coverage required by this Article 9 shall in no way relieve or limit Consumer's obligations and liabilities under other provisions of this Agreement.

9.5 If Consumer is a residential customer of the Power Company, the following provisions shall apply:

(a) The insurance coverage requirements of Section 9.1 above may be satisfied by the residential Consumer obtaining and maintaining a Homeowner's Liability insurance policy, or if Homeowner's Liability insurance is not available, Comprehensive or Commercial General Liability insurance, Excess or Umbrella Liability insurance, or any other type of insurance policy that the Power Company deems acceptable, covering the residential Consumer's liabilities under this Agreement, with bodily injury and property damage combined single limits as set forth in Section 9.1;

(b) The last sentence of Section 9.1, and the requirement set forth in Section 9.3, shall not apply to the residential Consumer; and

(c) The amounts of insurance required in Section 9.1 may be satisfied by the residential Consumer purchasing primary coverage in the amounts specified or by buying a separate excess Umbrella Liability policy together with lower limit primary underlying coverage. The structure of the coverage is the residential Consumer's option, so long as the total amount of insurance meets Power Company's requirements.

ARTICLE 10 – BUCKEYE, TRANSMISSION OWNER AND TRANSMISSION PROVIDER CONSENT

The consent of Buckeye, the Transmission Owner and/or Transmission Provider, if the Power Company determines that such consent is required, shall be required prior to any interconnection of the Consumer's Electric Generating Facility with the Power Company Distribution System.

ARTICLE 11 – TERM

This Agreement shall commence as of _____ and shall terminate upon the termination of the Agreement for Electric Service.

ARTICLE 12 – MISCELLANEOUS

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns; provided, however, this Agreement shall not be assigned by the Consumer without the prior written consent of the Power Company, any such assignment by the Consumer being null and void without such consent. This Agreement shall not be effective unless approved in writing by all governmental agencies from which approval is required. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, except for any conflicts of laws provisions. This Agreement may not be modified except in a writing signed by both parties hereto.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

By: _____
(signature)

Name: _____
(print)

Title: _____

By: _____
(signature)

Name: _____
(print)

Title: _____

**ATTACHMENT A
INTERCONNECTION FACILITIES**

This Attachment A is a part of the Agreement for Interconnection and Parallel Operation between Consumer and Power Company.

Point of Interconnection

The point of interconnection will be at the point where _____. See Drawing No. _____, dated _____, which drawing is attached hereto and made a part hereof.

Interconnection Facilities to be Furnished by Power Company

Power Company shall construct the following interconnection facilities:

See the Power Company Feasibility Study, a copy of which is attached hereto and made a part hereof.

Interconnection Facilities to be Furnished by Consumer

Consumer shall construct the following interconnection facilities:

Cost Responsibility

Consumer shall be solely responsible for all costs associated with Consumer's construction of Interconnection Facilities.

Consumer and Power Company hereby acknowledge and agree that the cost listed below is only an estimate and that Consumer hereby agrees to and shall reimburse Power Company for all actual costs, including any applicable taxes, associated with the Power Company's construction of Interconnection Facilities as set forth in this Attachment A. The cost of the Power Company's Interconnection Facilities is estimated to be \$ _____. The Consumer will pay to the Power Company a deposit of \$ _____ coincident with the execution of the Agreement.

Qualifying Facilities Sizing Capacity

Qualifying facility shall be no larger than 80% of the previous three (3) year 12-month average energy use for all predictable loads. Non-predictable loads will be determined on a case-by-case basis.

ATTACHMENT B
NET METERING EQUIPMENT

This Attachment B is a part of the Agreement for Interconnection and Parallel Operation between Consumer and Power Company.

The net metering facilities will be located at _____.

Power Company, at Consumer's expense, will purchase, install, own, operate, and maintain the following net metering instrumentation as required for onsite metering and telemetering:

Net metering will be accomplished using a single meter or pair of meters capable of registering the flow of electricity in each direction from the Power Company Distribution System to Consumer's electric consuming facilities located on the Premises, and from Consumer's Electric Generating Facility to the Power Company Distribution System. If the existing electric meter or meters in service at the Consumer's Premises is/are not capable of measuring the flow of electricity in each direction, the Power Company will purchase, install, own, operate, and maintain an approved meter or meters that is/are capable of measuring electricity in each direction. The Consumer will pay the Power Company all expenses involved in either modifying the existing meter(s) or providing a new meter(s) capable of measuring the flow of electricity in each direction. Maintenance of the meter(s) will be the responsibility of the Power Company, which will own the meter(s).

Any cogeneration interconnection to the Power Company system shall be on the appropriate net billing rate schedule designed for cogeneration or distribution generation as determined by The Cooperative. Cogeneration shall not be combined with any other rate schedule.

Consumer and Power Company hereby acknowledge and agree that the cost listed below is only an estimate and that Consumer hereby agrees to and shall reimburse Power Company for all actual costs, including any applicable taxes, associated with the Power Company's installation of Net Metering Equipment as set forth in this Attachment B. The cost for the Net Metering Equipment is estimated to be \$ _____.

ATTACHMENT C
POWER COMPANY REQUIREMENTS

The distributed resource should be compliant with UL 1741 and IEEE 1547. The size of the service should be sufficient to carry 100 percent of the generating capacity. The distributed resource should not adversely affect the quality of service to neighboring consumers.

ATTACHMENT D
TRANSMISSION OWNER AND/OR TRANSMISSION PROVIDER REQUIREMENTS

The Consumer shall pay for all facilities and upgrades identified by the Transmission Owner and/or Transmission Provider in the _____, a copy of which is attached hereto and made a part hereof. The Consumer shall enter into any facilities/construction agreements required by the Transmission Owner/Transmission Provider in connection with the construction of the necessary transmission facilities/upgrades identified in the attached report.

ATTACHMENT E
ELECTRIC GENERATING FACILITY DESCRIPTION

_____ . A more detailed description of the Electric Generating Facility is attached.