



DISTRIBUTED GENERATION GUIDELINES MANUAL

DISTRIBUTED GENERATION AGREEMENT (DG SYSTEMS \leq 50kW AC)

**FOR THE INTERCONNECTION AND PARALLEL OPERATION OF
DISTRIBUTED GENERATION IN NCEC SERVICE AREA**

THIS AGREEMENT is entered into by and between the Navarro County Electric Cooperative, Inc. (Co-op) and _____ Member (Member).

Navarro County Electric Cooperative, Inc. (NCEC) is a non-profit electric utility company serving portions of Ellis, Navarro, Freestone Hill and Limestone Counties in Texas; and NCEC Member intends to construct, own, operate, maintain, and connect to the NCEC electric distribution system, a Distributed Generation system (DG System) with a nameplate rating less than or equal to 50kW AC at address:

_____; and the parties hereto wish to contract for the purchase and sale of the electrical output from the DG System, and the terms of its interconnection with the NCEC electric distribution system. THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereby contract and agree with each other as follows:

Article 1.0 | This Agreement shall be effective as of the date of execution by the latter of the two parties (the Effective Date) and, subject to the other terms of this Agreement, shall continue in effect for a period of one year, and month to month thereafter.

Article 2.0 | The DG System will be installed at Member's premises at the address specified above. Member shall install, operate, and maintain the DG System in full and faithful compliance with all applicable federal, state, and local laws, ordinances, rules and regulations, and generally accepted industry codes and standards, including, but not limited to the National Electrical Safety Code and the National Electrical Code. Member shall promptly notify Co-op upon receipt of any citation or other official notice of alleged violation of laws, ordinances, rules, and regulations concerning the DG System.

Article 3.0 | Member warrants and represents that:

3.01 | The information regarding the characteristics of the DG System are as specified in the Application for Interconnection and Parallel Operation of Distributed Generation with the Co-op Electric system filed by the Member with Co-op;

3.02 | The DG System and associated other electrical components and devices meet National Electrical Code standards;

3.03 | All permits, inspections, approvals, and/or licenses necessary for the installation or operation of the DG System have been obtained. The DG System has been successfully tested to UL 1741 and IEEE 1547 standards or has been satisfactorily tested by an independent laboratory with published results.

3.04 | Member shall provide manufacturer's data or other written proof acceptable to Co-op to verify the accuracy of the foregoing warranties and representations. If any of foregoing warranties and representations are inaccurate, Co-op may, without waiver of or prejudice to any other remedy, immediately disconnect the DG system from the Co-op electric system and terminate this agreement.

Article 4.0 | Co-op will purchase from Member and Member will sell exclusively to Co-op the electrical output from the DG system that is "received" by the Co-op's Distribution System. During the term of this Agreement, Member shall exclusively purchase from Co-op its requirements of electric energy above the amounts generated by the DG system.

Article 5.0 | The Co-op shall pay Member for the "kWh Received" (energy received by the Co-op's Distribution System) at the "Avoided Cost of Generation Rate" (ACGR). The ACGR is determined by the current fixed shape

contract price for energy purchased by NCEC from its wholesale electric energy provider(s). Co-op reserves the right to amend the ACGR at any time.

Article 6.0 | At the point of member / premise interconnection, the Co-op will provide a standard data recorder (meter) that can measure the “kWh Delivered” and the “kWh Received” in intervals established by the Co-op. If special (non-standard) metering is required, the Co-op will identify this requirement and any cost to the member prior to approval of the DG Application.

Article 7.0 | The Co-op will determine whether an interconnection study is necessary, based on relevant engineering factors including the output of the system, the location of the system and other Co-op distribution system factors. Interconnection studies, include service study, coordination study, and utility system impact study, as needed, and determined in the sole discretion of Co-op. If the interconnection study is deemed necessary, the Co-op shall perform the study under reasonable terms and conditions agreed upon by both the member and Co-op and at the member's sole expense.

Any modifications or additions to the Co-op's Electric system identified through the interconnection study as required for the safe and reliable interconnection of Member's facility shall be solely at the Member's expense. Member shall not acquire any ownership in such modifications or additions to Co-op's distribution system.

The interconnection study may conclude the proposed system may not be approved / authorized by the Co-op. In such cases, the Co-op will make the study available to the member and may also offer recommendations for modifications that could result in authorization to proceed with a revised system.

No study fee will be charged if the proposed generation site is not on a networked secondary and if all of the following apply:

- 1) The proposed generation equipment is pre-certified. Generation equipment that are less than 20 kW AC shall be considered pre-certified if a UL 1741 listed inverter that also meets IEEE 1547 specifications is used. For solar PV installations, to be pre-certified system must have UL 1703 listed PV modules, and
- 2) The proposed generation system does not expect to export more than 15% of total load on the feeder, and
- 3) The proposed generation system does not contribute more than 25% of the maximum possible short circuit current of the feeder.

Article 8.0 | Member shall be solely responsible for the design, installation, operation, maintenance, and repair of the DG System and Member's interconnection facilities. The interconnection of the DG System to the Co-op electrical system shall comply with the Public Utility Commission of Texas Substantive Rules §25.212 relating to Technical Requirements for Interconnection and Parallel Operation of On-Site Distributed Generation, (16 Texas administrative Code §25.212) or any successor rule addressing distributed generation. Co-op shall inspect the DG System and the interconnection equipment. All costs to interconnect with the Co-op electric system shall be the responsibility of Member. Co-op shall not be required to take or pay for any energy generated by the DG System until the DG System successfully passes Co-op's Field Inspection and Member shall have reimbursed Co-op for all its interconnection costs. Maintenance of the DG System shall be performed in accordance with the applicable manufacturer's recommended maintenance schedule.

Article 9.0 | Co-op shall not be obligated to accept and shall have the right to require Member to temporarily curtail, interrupt, or reduce, deliveries of energy in order to construct, install, maintain, repair, replace, remove, investigate, inspect, or test any part of the interconnection facilities, equipment, or any part of the Co-op electric system. Co-op may disconnect, without notice, the DG System from the electric distribution system, if, in Co-op's opinion, a hazardous condition exists, and such immediate action is necessary to protect persons, or Co-op's facilities or other members' facilities from damage or interference caused by Member's DG System or lack of properly operating protective devices.

Article 10.0 | Member hereby grants Co-op access on and across its property at any reasonable time to inspect the DG System and the interconnection equipment, to read or test meters and metering equipment, and to operate, maintain and repair Co-op's facilities. No inspection by Co-op of the DG System or the interconnection facilities shall impose on Co-op any liability or responsibility for the operation, safety or maintenance of the DG system or Member's interconnection facilities.

Article 11.0 | **MEMBER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS NAVARRO COUNTY ELECTRIC COOPERATIVE, INC., ITS ELECTED AND NON-ELECTED OFFICIALS, OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ANY AND ALL LIABILITIES, LOSSES, CLAIMS, DAMAGES, ACTIONS, SUITS OR DEMANDS FOR DAMAGES (INCLUDING COSTS AND ATTORNEY'S FEES, BOTH AT TRIAL AND ON APPEAL) ARISING OUT OF, RESULTING FROM, OR IN ANY MANNER CONNECTED WITH THE BREACH OF ANY WARRANTY OR REPRESENTATION MADE BY MEMBER IN THIS AGREEMENT, OR IN ANY MANNER CONNECTED WITH THE DESIGN, CONSTRUCTION, OPERATION, MAINTENANCE OR REPAIR OF ANY PART OF MEMBER'S DG SYSTEM OR INTERCONNECTION FACILITIES, INCLUDING, WITHOUT LIMITATION LIABILITIES, LOSSES, CLAIMS, DAMAGES, ACTIONS, SUITS OR DEMANDS FOR DAMAGES FOR OR ON ACCOUNT OF PERSONAL INJURY TO, OR DEATH OF, ANY PERSON, OR DAMAGE TO, OR DESTRUCTION OR LOSS OF, PROPERTY BELONGING TO MEMBER, NAVARRO COUNTY ELECTRIC COOPERATIVE, INC. OR ANY THIRD PERSON.**

Article 12.0 | For Facilities 50 kW and Smaller: The Member is not required to provide a certificate of insurance coverage to Navarro County Electric Cooperative, Inc.. It is recommended, however, that the Member carry liability insurance coverage which insures the Member against all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with the installation, operation and maintenance of the Member's generating equipment.

For Facilities Larger than 50 kW: The insurance requirements will be determined based on the size of the system and the engineering analysis. It is recommended that the Member carry liability insurance coverage which insures the Member against all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with the installation, operation, and maintenance of the Member's generating equipment.

Article 13.0 | After the initial term of 12 months, this agreement shall continue in force thereafter unless terminated by either party giving at least thirty (30) days written notice to the other.

Article 14.0 | Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

If to Co-op:

Navarro County Electric Cooperative, Inc.
3800 W. Highway 22
P. O. Box 616
Corsicana, TX 75151-0616

If to Member:

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

Article 15.0 | A material failure of either party to fully, faithfully, and timely perform its obligations under this Agreement shall be a breach of this Agreement. In the event of a breach which is not cured within thirty (30) days after receipt of written notice to the party in default, the party not in default may terminate this Agreement. **If Member** is in breach of this Agreement, and such breach continues for thirty (30) days after written notice from Co-op, Co-op may disconnect the DG System or otherwise suspend taking energy from Member. All rights granted under this section are in addition to all other rights or remedies available at law or under this Agreement or the applicable Co-op Utilities Rules and Regulations.

Article 16.0 | This Agreement shall inure to the benefit of and be binding upon the heirs, successors, or assigns of each of the parties hereto. Member may not assign this Agreement without the prior written consent of Co-op. Any assignment without such consent shall be null and void.

Article 17.0 | This Agreement constitutes the entire agreement and understanding between the parties hereto and can be amended only by agreement between the parties in writing. In the event any provision of this Agreement, or any part or portion thereof, shall be held to be invalid, void or otherwise unenforceable, the obligations of the parties shall be deemed to be reduced only as much as may be required to remove the impediment.

Article 18.0 | The failure of either party to insist in any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provision or the relinquishment of any such right or any other right hereunder.

Article 19.0 | This Agreement and all disputes arising hereunder shall be governed by the laws of the State of Texas. The venue for all such disputes shall be proper and lie exclusively in Navarro County, Texas.

IN WITNESS WHEREOF, the parties hereto have caused their names to appear below, signed by authorized representatives.

Navarro County Electric Cooperative, Inc.	
By (Signature):	_____
Name (Print):	_____
Title:	_____
Date:	_____

Member	
By (Signature):	_____
Name (Print):	_____
Date:	_____