



Your Touchstone Energy® Partner 

**Interconnection Agreement
For Generation Systems**

**Interconnection of Distributed
Generation Systems in Parallel
With
Nodak Electric Cooperative, Inc.**

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This Generating System Interconnection Agreement is entered into by and between Nodak Electric Cooperative, Inc. (“Nodak Electric”) and _____ (the “Interconnection Member”). The Interconnection Member and Nodak Electric Cooperative, Inc. (Nodak Electric) are sometimes also referred to in this Agreement jointly as “Parties” or

individually as “Party”. In consideration of the mutual promises and obligations stated in this Agreement and its attachments, the Parties agree as follows:

I. SCOPE AND PURPOSE

- A. This Agreement is intended to outline the terms, conditions, rights and obligations under which the Interconnection Member may interconnect and operate a Generation System with a total Nameplate Capacity of less than 10MW, in parallel for any length of time with Nodak Electric’s electrical distribution system at the location identified in Exhibit C and shown in the Exhibit A one-line diagram.
- B. This Agreement does not authorize the Interconnection Member to export power or constitute an agreement to purchase or wheel the Interconnection Member’s power. Other services that the Interconnection Member may require from Nodak Electric, or others, may be covered under separate agreements.
- C. To facilitate the operation of the Generation System, this agreement allows for the occasional and inadvertent export of energy to Nodak Electric’s distribution system. The amount, metering, billing and accounting of such inadvertent energy exporting shall be governed by Exhibit D (Operating Agreement). Nodak Electric is not obligated to purchase or pay for any energy, inadvertently or intentionally exported, unless expressly noted in Exhibit D or under a separately executed power purchase agreement (PPA).
- D. This agreement does not constitute a request for, nor the provision of any transmission delivery service or any local distribution delivery service.
- E. The Technical Requirements for interconnection are covered in a separate Technical Requirements document know as, the “Nodak Electric Cooperative, Inc. Interconnection Requirements for Generation Systems”, a copy of which as been made available to the Interconnection Member and incorporated and made part of this Agreement by this reference.

II. DEFINITIONS

(Note: The definitions used in this document are also used throughout all Nodak Electric documents pertaining to the interconnection of generation systems. As such, some terms may not be used or found in all documents.)

- A. **Area EPS:** An electric power system (EPS) that serves Local EPS’s. Note: Typically, an Area EPS has primary access to public rights-of-way, priority crossing of property boundaries, etc.
- B. **Area EPS Operator:** The entity that operates the Area EPS.

- C. **Closed Transition Transfer:** Method of transferring the local loads between Nodak Electric's system and the generator such that the generator and Nodak Electric's system are interconnected for a short time (100 msec. or less).
- D. **Dedicated Facilities:** The equipment that is installed by Nodak Electric in order to establish the interconnection between the Generation System and Nodak Electric's distribution facilities. Dedicated facilities may not be required for Nodak Electric to provide any service to a party other than the Interconnection Member.
- E. **EPS:** (Electric Power System) Facilities that deliver electric power to a load. Note: This may include generation units.
- F. **Extended Parallel:** The Generation System is designed to remain connected with Nodak Electric for an extended period of time.
- G. **Generation:** Any device producing electrical energy, including, without limitation, rotating generators driven by wind, steam turbines, internal combustion engines, hydraulic turbines, solar, fuel cells, and any other device or technology producing or storing electrical energy.
- H. **Generation Interconnection Coordinator:** The person or persons designated by Nodak Electric to provide a single point of coordination with the Applicant for the generation interconnection process.
- I. **Generation System:** The interconnected generator(s), controls, relays, switches, breakers, transformers, inverters and associated wiring and cables, up to the Point of Common Coupling.
- J. **Interconnection Member:** The party or parties listed above who will own/operate the Generation System and are responsible for meeting the requirements of this agreement, the Operating Agreement, and Technical Requirements. This could be the Generation System applicant, installer, owner, designer, or operator.
- K. **Local EPS:** An electric power system (EPS) contained entirely within a single premises or group of premises.
- L. **Nameplate Capacity:** The total nameplate capacity rating of all the Generation included in the Generation System. For this definition the "standby" and/or maximum rated kW capacity on the nameplate shall be used.
- M. **Open Transition Transfer:** Method of transferring the local loads between Nodak Electric's system and the generator such that the generator and Nodak Electric's system are never interconnected.
- N. **Point of Common Coupling:** The point where the Local EPS is connected to an Area EPS

- O. **Point of Delivery:** The point where the energy changes possession from one party to the other. Typically this will be where the metering is installed but it is not required that the Point of Delivery is the same as where the energy is metered.
- P. **Soft Loading Transfer:** Method of transferring the local loads between Nodak Electric's system and the generator such that the generator and Nodak Electric's system are interconnected for a limited amount of time, but for a limited amount of time (generally less than three minutes). If the interconnection extends beyond three minutes, the interconnection is then defined as extended parallel.
- Q. **Technical Requirements:** Nodak Electric Cooperative, Inc. "Interconnection Requirements for Generation Systems", as they may be amended or modified by Nodak Electric, from time to time.

III. DESCRIPTION OF INTERCONNECTION MEMBER'S GENERATION SYSTEM

- A. A description of the Generation System, including a single-line diagram showing the general arrangement of how the Interconnection Member's Generation System is interconnected with the Nodak Electric's distribution system, is attached to and made part of this Agreement as Exhibit A. The single-line diagram shows the following:
 - 1. Point of Delivery (if applicable)
 - 2. Point of Common Coupling
 - 3. Location of Meter(s)
 - 4. Ownership of the equipment.
 - 5. Generation System total Nameplate Capacity, kW
 - 6. Scheduled operational (on-line) date for the Generation System.

IV. RESPONSIBILITIES OF THE PARTIES

- A. The Parties shall perform all obligations of this Agreement in accordance with all applicable laws and regulations, operating requirements and good utility practices.
- B. Interconnection Member shall construct, operate and maintain the Generation System in accordance with all the applicable laws and regulations, the applicable manufacture's specifications, maintenance schedules, and other recommendations, the Technical Requirements and this Agreement. Interconnection Member is responsible for all costs arising out of the design, construction, purchase, installation, operation, maintenance, repair, inspection, or replacement of the Generation System.
- C. Nodak Electric shall construct the Dedicated Facilities in a good and workmanlike manner, and in accordance with standard design and engineering practices. Interconnection Member is responsible for the costs and expenses incurred by

Nodak Electric in the acquisition, construction and installation of the Dedicated Facilities as provided below.

V. CONSTRUCTION

The Parties agree to cause their facilities or systems to be constructed in accordance with all applicable federal, state, and local laws, ordinances, and regulations, (including all environmental laws), and all applicable codes and standards, including without limitation, the NESC (National Electrical Safety Code), ANSI (American National Standards Institute), IEEE (Institute of Electrical and Electronic Engineers), NEC (National Electrical Code), UL (Underwriter's Laboratory), and local building codes and other applicable ordinances in effect at the time of the installation of the Generation System.

A. Charges and payments

The Interconnection Member is responsible for the actual costs to interconnect the Generation System with Nodak Electric, including, but not limited to all costs arising out of (i) Nodak Electric's design, installation, coordination, engineering review, and testing of any portion of the Generator System, and (ii) the construction, installation, acquisition, design or testing of any Dedicated Facilities provided to connect Nodak Electric's distribution system to the Generation System,. Estimates of these costs are outlined in Exhibit B. While estimates, for budgeting purposes, have been provided in Exhibit B, the Interconnection Member is responsible for the actual costs incurred by Nodak Electric subject to reimbursement under this Agreement, even if they exceed the estimated amount(s). Unless otherwise expressly provided in Exhibit B, Nodak Electric's charges for the Dedicated Facilities will be determined consistent with the following parameters:

- For each person who provides labor on behalf of Nodak Electric in connection with the design, construction, installation, or other related work in connection with the Dedicated Facilities, Nodak Electric may charge the applicable hourly rate payable by Nodak Electric for the labor provided, plus overhead attributable to such costs, as calculated by Nodak Electric in its system of internal management accounting.
- The actual costs incurred by Nodak Electric for any materials or supplies (including freight and taxes) or outside labor used or consumed in the project plus overhead attributable to such costs, as calculated by Nodak Electric in its system of internal management accounting.
- All costs, for which the Interconnection Member is responsible for, must be reasonable under the circumstances of the design and construction.

1. Dedicated Facilities

- a. During the term of this Agreement, Nodak Electric shall design, construct and install the Dedicated Facilities outlined in Exhibit B. The Interconnection Member shall be responsible for paying the actual costs of the Dedicated Facilities attributable to the addition of the Generation System.
- b. Once installed, the Dedicated Facilities shall be owned and operated by Nodak Electric and all costs associated with the operating and maintenance of the Dedicated Facilities, after the Generation System is operational, shall be the responsibility of Nodak Electric, unless otherwise agreed.
- c. By executing this Agreement, the Interconnection Member grants permission for Nodak Electric to begin construction and to procure the necessary facilities and equipment to complete the installation of the Dedicated Facilities on Interconnection Member's property, as outlined in Exhibit B. If for any reason, the Generation System project is canceled under Article VIII of this Agreement, so that any or all of the Dedicated Facilities are not required, the Interconnection Member will, nonetheless, remain responsible for all costs incurred by Nodak Electric which are reimbursable by Interconnection Member under this Agreement, other than any costs which, in the exercise of reasonable care, Nodak Electric could have avoided after delivery to Nodak Electric of a notice of termination in the manner required under this Agreement.

B. Payments

1. The Interconnection Member shall provide reasonable adequate assurances of credit, including a letter of credit or personal guaranty of payment and performance from a creditworthy entity acceptable under Nodak Electric's credit policy and procedures for the unpaid balance of the estimated amount shown in Exhibit B.
2. The payment for the costs outlined in Exhibit B, shall be as follows;
 - a. 1/3 of estimated costs, outlined in Exhibit B, shall be due upon execution of this agreement.
 - b. 1/3 of estimated costs, outlined in Exhibit B, shall be due prior to initial energization of the Generation System with Nodak Electric.
 - c. Remainder of actual costs, incurred by Nodak Electric, shall be due within 30 days from the date the bill is mailed by Nodak Electric after project completion. Amounts not paid within 10 days after due will accrue interest at the rate of 1% per month.

VI. DOCUMENTS INCLUDED WITH THIS AGREEMENT

- A. This agreement includes the following exhibits, which are specifically incorporated herein and made part of this Agreement by this reference: (if any of these Exhibits are deemed not applicable for this Generation System installation they may be omitted from the final Agreement by Nodak Electric.)
1. Exhibit A – Description of Generation System and single-line diagram. This diagram shows all major equipment, including, visual isolation equipment, Point of Common Coupling, Point of Delivery for Generation Systems that intentionally export, ownership of equipment and the location of metering.
 2. Exhibit B – Estimated installation and testing costs payable by the Interconnection Member. Included in this listing shall be the description and estimated costs for the required Dedicated Facilities being installed by Nodak Electric for the interconnection of the Generation System and a description and estimate for the final acceptance testing work to be done by Nodak Electric.
 3. Exhibit C – Engineering Data Submittal – A standard form that provides the engineering and operating information about the Generation System.
 4. Exhibit D – Operating Agreement – The Operating Agreement provides specific operating information and requirements for this Generation System interconnection. This Exhibit has a separate signature section and may be modified, in writing, from time to time with the agreement of both parties.
 5. Exhibit E – Maintenance Agreement – This provides specific maintenance requirements for this Generation System interconnection. This Exhibit has a separate signature section and may be modified, in writing, from time to time with the agreement of both parties.

VII. TERM AND TERMINATION

- A. This Agreement is effective on the date when both the Interconnection Member and Nodak Electric have signed this Agreement. The Agreement shall continue in full force and effect until the earliest date that one of the following events occurs:
1. The Parties mutually agree in writing to terminate the Agreement; or
 2. The Interconnection Member terminates this agreement, by written notice to Nodak Electric, prior to the completion of the final acceptance testing of the Generation System by Nodak Electric. Once the Generation System is operational then VII.A.3 applies. Upon receipt of a cancellation notice, Nodak Electric must take reasonable steps to minimize additional costs to the Interconnection Member, where reasonably possible.

3. After the Generation System is operational, the Interconnection Member terminates this agreement after 30 days written notice to Nodak Electric, unless otherwise set forth in Exhibit D or in the Operating Agreement; or
4. Nodak Electric terminates this agreement after 30 days written notice to the Interconnection Member following:
 - a. The Interconnection Member's failure to pay when due any amounts owing by the Interconnection Member to Nodak Electric under this agreement, the Operating Agreement, or the Maintenance Agreement
 - b. The Interconnection Member's failure to interconnect and operate the Generation System per the terms of this Agreement or any other breach by the Interconnection Member of the terms of this Agreement; or
 - c. The Interconnection Member fails to take all corrective actions specified in Nodak Electric's written notice that the Generation System is out of compliance with the terms of this Agreement, within the time frame set forth in such notice, or
 - d. If the Interconnection Member fails to complete Nodak Electric's final acceptance testing of the generation system within 24 months of the date proposed under section III.A.6.
 - e. The operation of the Generating System becomes illegal or impracticable as the consequence of the application of any statute, law or governmental rule or regulation.
5. Upon termination of this Agreement the Generation System shall be disconnected from Nodak Electric's distribution by or under the direction of Nodak Electric. Costs incurred by Nodak Electric in connection with the disconnect will be the responsibility of the Interconnection Member. The termination of this Agreement will not relieve either Party of its liabilities and obligations which by their terms, must continue following termination, or which arise out of any transaction or occurrence which occurred, prior to termination.

VIII. OPERATIONAL ISSUES

Each Party will, at its own cost and expense, operate, maintain, repair and inspect, and shall be fully responsible for, the facilities which it now or hereafter may own, unless otherwise specified.

- A. Technical Standards: The Generation System shall be installed and operated by the Interconnection Member consistent with the requirements of this Agreement; the Technical Requirements; the applicable requirements located in the National Electrical Code (NEC); the applicable standards published by the American

National Standards Institute (ANSI) and the Institute of Electrical and Electronic Engineers (IEEE); and local building and other applicable ordinances in effect at the time of the installation of the Generation System.

- B. Right of Access: At all times, Nodak Electric employees and agents will have access to the disconnect switch of the Generation System. Nodak Electric may disconnect the Generation System for any reasonable purpose arising out of the rights and obligations under this Agreement, as necessary to satisfy its obligation to operate the Nodak Electric grid safely and to provide service to its Members. Interconnection Member authorizes Nodak Electric employees and agents access to the Nodak Electric equipment and facilities located on the premises in order to carry out its rights and obligations under this agreement.
- C. Electric Service Supplied: Nodak Electric will supply all the electrical requirements of the Interconnection Member that are not supplied by the Generation System. Such electric service shall be supplied by Nodak Electric under the rate schedules applicable to the Member's class of service, as revised from time to time by Nodak Electric.
- D. Operation and Maintenance: The Generation System shall be operated, inspected, tested and maintained, by the Interconnection Member in accordance with the Technical Standards and any additional requirements of Exhibit D and Exhibit E, attached to this document, as amended, in writing, from time to time.
- E. Cooperation and Coordination: Both Nodak Electric and the Interconnection Member shall communicate and coordinate their operations, so that the normal operation of the Nodak Electric grid does not unduly effect or interfere with the normal operation of the Generation System and the Generation System does not unduly effect or interfere with the normal operation of the Nodak Electric grid. Under abnormal operations of either the Generation System or the Nodak Electric grid, the responsible Party shall provide reasonably timely communication to the other Party to allow mitigation of any potentially negative effects of the abnormal operation of their system.
- F. Disconnection of Unit: Nodak Electric may disconnect the Generation System as necessary, upon termination of this Agreement; non-compliance with this Agreement by Interconnection Member; system emergency, imminent danger to the public or Nodak Electric personnel; routine maintenance, repairs and modifications to the Nodak Electric grid. When reasonably possible, Nodak Electric shall provide prior notice to the Interconnection Member explaining the reason for the disconnection. If prior notice is not reasonably possible, Nodak Electric shall after the fact, provide information to the Interconnection Member as to why the disconnection was required. Nodak Electric is not liable for any loss or damage suffered by Interconnection Member, its tenants, subtenants licensees or other occupants of its premises, as a result of the disconnection of the Generation System, including without limitation, all damages for any loss of sales, consequential

damages, loss of business opportunity, profits or other losses, regardless of whether such damages were foreseeable Nodak Electric shall expend reasonable effort to reconnect the Generation System in a timely manner and to work towards mitigating damages and losses to the Interconnection Member where reasonably possible.

- G. Modifications to the Generation System: Member shall notify Nodak Electric, in writing, prior to making any changes, alternations, additions, replacements or modifications to the Generation System. Such notice must be made no less than twenty business days prior to the modification. The notice must include all information reasonably required by Nodak Electric to undertake the review described in this paragraph. The nature of the proposed modifications to any of the interconnection equipment, including, all interconnection required protective systems, the generation control systems, the transfer switches/breakers, interconnection protection VT's & CT's, and Generation System capacity, must be included in the notification to Nodak Electric. Interconnection Member agrees not to commence installation of any modifications to the Generating System until Nodak Electric has approved the modification, in writing. Nodak Electric shall have a minimum of five (5) business days to review and respond to the planned modification. Nodak Electric shall not take longer than a maximum of ten (10) business days, to review and respond to the modification after the receipt of the information required to review the modifications. Notwithstanding the foregoing, in the event of any emergency creating risk of injury, death or property damage, Interconnection Member may undertake modifications without the approval of Nodak Electric, provided that, the Interconnection Member provides written notice to Nodak Electric as soon as reasonably possible of the intent to make changes or of the changes made.
- H. Permits and Approvals: The Interconnection Member must at all times comply with all governmental laws, ordinances, rule, regulations or other requirements, shall obtain all environmental and other permits lawfully required by governmental authorities in connection with its construction, installation, acquisition, operation and maintenance of the Generation System. The Interconnection Member shall also maintain all required permits and comply with the requirements of such permits at all times during the term of this Agreement.

IX. LIMITATION OF LIABILITY/INDEMNITY

- A. Notwithstanding any other provision in this Agreement, with respect to the Nodak Electric's provision of electric service to Interconnection Member and the services provided by the Nodak Electric pursuant to this Agreement, Nodak Electric's liability to Interconnection Member shall be limited as set forth in the Nodak Electric's policies relating to the provision of electric service, which are incorporated herein by reference.

- B. If a Force Majeure event as defined in this agreement prevents a party from fulfilling any obligations under this agreement, such party will promptly notify the other party in writing and will keep the other party informed on a continuing basis as to the scope and duration of the Force Majeure event. The affected party will specify the circumstances of the Force Majeure event, its expected duration and the steps that the affected party is taking to mitigate the effect of the event on its performance. The affected party will be entitled to suspend or modify its performance of obligations under this Agreement but will use reasonable efforts to resume its performance as soon as possible.
- C. The Interconnection Member assumes all liability for and must indemnify, defend, and save harmless, Nodak Electric and its members, directors, officers, managers, employees, agents, representatives, affiliates, successors and assigns for from and against any claims, losses, costs, and expenses of any kind or character to the extent that they result from Interconnection Member's negligence or other wrongful conduct in connection with the design, construction, installation, operation or maintenance of the Facilities or Interconnection Facilities, the breach of this agreement, or personal injury, death or property damage to an employee of Interconnection Member. Such indemnity shall include, but is not limited to, financial responsibility for (a) monetary losses; (b) reasonable costs and expenses of defending an action or claim; (c) damages related to death or injury; (d) damages to property; and (e) damages for the disruption of business.
- D. Nodak Electric and Interconnection Member are each responsible for the safe installation, maintenance, repair and condition of their respective lines, wires, switches, or other equipment or property on their respective sides of the Point of Delivery. Nodak Electric does not assume any duty of inspecting the Interconnection Member's lines, wires, switches, or other equipment or property except to assure the installation is completed as specified by Nodak Electric and agreed upon by the Interconnection Member and Nodak Electric, and will not be responsible therefore. Interconnection Member assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the Point of Interconnection.
- E. For the mutual protection of the Interconnection Member and the Nodak Electric, only with Nodak Electric's prior written authorization are the connections between the Nodak Electric's service wires and the Interconnection Member's service entrance conductors to be energized.
- F. Each Party's liability to the other Party for failure to perform its obligations under this Agreement shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any punitive, incidental, indirect, special, or consequential damages of any kind whatsoever, including for loss of business opportunity or profits, regardless of whether such damages were foreseen.

X. DISPUTE RESOLUTION

- A. **Dispute Resolution:** Except as provided below, all claims, disputes, controversies, and other matters in question arising out of or relating to this Agreement, the alleged breach thereof, the relationship between the parties, or the making or termination of this agreement, including claims of fraud in the inducement or claims under and federal, state or local statutes or ordinances, shall be settled by negotiation between the parties as described in Part B of this Article, if negotiation is unsuccessful, by binding arbitration in accordance with the procedures set forth in Part C of this Article. Notwithstanding the foregoing, any Reserved Claim, as defined below, by Nodak Electric is not subject to the limitations of this Article. With respect to any Reserved Claim, Nodak Electric is authorized, at its sole option, to bring any such claim before any proper court of competent jurisdiction, either before or after the commencement of informal resolution proceedings under Subpart B, but before the commencement of any arbitration proceedings under Subpart C. For the purposes of this provision, a “Reserved Claim is:
1. Any claim of Nodak Electric against Interconnection Member for collection of amounts due for reimbursement for professional services, labor and materials provided by or on behalf of Nodak Electric under this Agreement, (whether or not such non-payment results all or in part from any set-off or counterclaim by Interconnection Member against Nodak Electric), or
 2. Any claim for injunctive relief by Nodak Electric against Interconnection Member resulting from the alleged violation by Interconnection Member of any provision of this agreement.
- B. **Informal Resolution:** Except as provided in Part A, in the event either party desires to resolve any bona fide dispute with respect to matters which relate to a party's rights or obligations under this agreement, such party shall, by written notice to the other party, have such dispute referred to no more than two of their respective employees or agents for attempted resolution by good faith negotiations within 30 days after such notice is received. Any settlement reached by the parties under this section shall not be binding until reduced to writing and signed by the Nodak Electric and Interconnection Member. When reduced to writing, such settlement agreement shall supersede all other agreements, written or oral, to the extent such agreements specifically pertain to the matters so settled. If the designated employees are unable to resolve such dispute with in such 30 day period, any party may invoke the provisions of Part C below.
- C. **Arbitration:** Except as provided in Part A, any controversy or claim arising out of or relating to this contract, including disputes relating to the formation of this agreement, or the breach thereof, must be settled by arbitration in Fargo, North Dakota, at a time and location designated by the arbitrator, but not exceeding 30 days after a demand for arbitration has been made. Arbitration shall be conducted by the American Arbitration Association in accordance with its Rules of Commercial Arbitration, and judgment upon the award rendered by the arbitrator

may be entered in any court having jurisdiction thereof. The arbitrator shall be a retired state or federal judge or an attorney who has practiced commercial litigation for at least 10 years.

The arbitrators shall have the authority to award any remedy or relief that a court of this state could order or grant according to the terms of this agreement and consistent with applicable law, including, without limitation, equitable remedies, rescission, specific performance of any obligation created under this agreement, the issuance of an injunction, or the imposition of sanctions for abuse or frustration of the arbitration process; provided, however, that punitive or exemplary damages may not be awarded by the arbitrators or by any court. The arbitrators must award to the prevailing party, if any, as determined by the arbitrators, all of its costs and fees, including the arbitrators' fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees and reasonable attorney's fees.

XI. INSURANCE

- A. In connection with the Interconnection Member's performance of its duties and obligations under this Agreement, the Interconnection Member shall maintain, during the term of the Agreement, general liability insurance, from a qualified insurance agency with a B+ or better rating by "Best" and with a combined single limit of not less than:
1. Two million dollars (\$2,000,000) for each occurrence if the Gross Nameplate Rating of the Generation System is greater than 250kW.
 2. One million dollars (\$1,000,000) for each occurrence if the Gross Nameplate Rating of the Generation System is between 40kW and 250kW.
 3. Three hundred thousand (\$300,000) for each occurrence if the Gross Nameplate Rating of the Generation System is less than 40kW.
 4. Such general liability insurance shall include coverage against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of the Interconnection Member's ownership and/or operating of the Generation System under this agreement.
- B. The general liability insurance required shall, by endorsement to the policy or policies, (a) include Nodak Electric as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that Nodak Electric shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for the payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to Nodak Electric prior to cancellation, termination, alteration, or material change of such insurance.

- C. If the Generation System is connected to an account receiving residential service from Nodak Electric and its total generating capacity is smaller than 20kW, then the endorsements required in Section XI.B shall not apply.
- D. The Interconnection Member shall furnish the required insurance certificates and endorsements to Nodak Electric prior to the initial operation of the Generation System. Thereafter, Nodak Electric shall have the right to periodically inspect or obtain a copy of the original policy or policies of insurance
- E. Evidence of the insurance required in Section XI.A. shall state that coverage provided is primary and is not excess to or contributing with any insurance or self-insurance maintained by Nodak Electric.
- F. If the Interconnection Member is self-insured with an established record of self insurance, the Interconnection Member may comply with the following in lieu of Section XI.A – E:
 - 1. Interconnection Member shall provide to Nodak Electric, at least thirty (30) days prior to the date of initial operation, evidence of an acceptable plan to self-insure to a level of coverage equivalent to that required under section XI.A
 - 2. If Interconnection Member ceases to self-insure to the level required hereunder, or if the Interconnection Member is unable to provide continuing evidence of its ability to self-insure, the Interconnection Member agrees to immediately obtain the coverage required under Section XI.A.
- G. Failure of the Interconnection Member or Nodak Electric to enforce the minimum levels of insurance does not relieve the Interconnection Member from maintaining such levels of insurance or relieve the Interconnection Member of any liability.
- H. All insurance certificates, statements of self-insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

Nodak Electric Cooperative, Inc.
 4000 32nd Avenue South
 Grand Forks, ND 58208-3000

XII. MISCELLANEOUS

A. FORCE MAJEURE

- 1. An event of Force Majeure means any act of God, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities,

or any other cause beyond a Party's control. An event of Force Majeure does not include an act of negligence or intentional wrongdoing. Neither Party will be considered in default as to any obligation hereunder if such Party is prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations hereunder

2. Neither Party will be considered in default of any obligation hereunder if such Party is prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations hereunder.

B. NOTICES

1. Any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person or sent by first class mail, postage prepaid, to the person specified below:

- a. If to Nodak Electric

Nodak Electric Cooperative, Inc.
Attention: President and CEO
4000 32nd Avenue South
Grand Forks, ND 58208-3000

- b. If to Interconnection Member

A Friendly Member
12345 Interconnection Dr
Anytown, ND ZipCode

2. A Party may change its address for notices at any time by providing the other Party written notice of the change, in accordance with this Section.
3. The Parties may also designate operating representatives to conduct the daily communications which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party's notice to the other Party.

C. ASSIGNMENT

The Interconnection Member shall not assign its rights nor delegate its duties under this Agreement without Nodak Electric's written consent. Any assignment or delegation the Interconnection Member makes without Nodak Electric's written

consent shall not be valid. Nodak Electric shall not unreasonably withhold its consent to the Interconnection Member's assignment of this Agreement to any responsible future owner of the real property the Generating System is authorized serve.

D. NON-WAIVER

None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

E. GOVERNING LAW AND INCLUSION OF NODAK ELECTRIC'S RATES AND RULES.

1. This Agreement shall be interpreted, governed and construed under the laws of the State of North Dakota as if executed and to be performed wholly within the State of North Dakota without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.
2. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the rate schedules and policies applicable to the electric service provided by Nodak Electric, which rate schedules and policies are hereby incorporated into this Agreement by this reference.

F. AMENDMENTS AND MODIFICATION

This Agreement can only be amended or modified by a writing signed by both Parties.

G. ENTIRE AGREEMENT

This Agreement, including all attachments, exhibits, and appendices, constitutes the entire Agreement between the Parties with regard to the interconnection of the Generation System of the Parties at the Point(s) of Common Coupling expressly provided for in this Agreement and supersedes all prior agreements or understandings, whether verbal or written. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement. Each party also represents that in entering into this Agreement, it has not relied on the promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement or in the incorporated attachments, exhibits and appendices.

H. CONFIDENTIAL INFORMATION

Except as otherwise agreed or provided herein, each Party shall hold in confidence and shall not disclose confidential information, to any person (except employees, officers, representatives and agents, who agree to be bound by this section). Confidential information shall be clearly marked as such on each page or otherwise affirmatively identified. If a court, government agency or entity with the right, power, and authority to do so, requests or requires either Party, by subpoena, oral disposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirements(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. In the absence of a protective order or waiver the Party shall disclose such confidential information which, in the opinion of its counsel, the party is legally compelled to disclose. Each Party will use reasonable efforts to obtain reliable assurance that confidential treatment will be accorded any confidential information so furnished.

I. NON-WARRANTY

Neither by inspection, if any, or non-rejection, nor in any other way, does Nodak Electric give any warranty, expressed or implied, as to the adequacy, safety, or other characteristics of any structures, equipment, wires, appliances or devices owned, installed or maintained by the Interconnection Member or leased by the Interconnection Member from third parties, including without limitation the Generation System and any structures, equipment, wires, appliances or devices appurtenant thereto.

J. 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.

XIII. SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

Interconnection Member
By: _____
Name: _____
Title: _____

Date: _____
Nodak Electric Cooperative, Inc.
By: _____
Name: _____

Title: _____

Date: _____

**EXHIBIT A – Generation System Description
and Single-Line Diagram.**

**EXHIBIT B – Summary of Nodak Electric Costs
and Description of Dedicated Facilities
being installed by
Nodak Electric
for the
Interconnection of the Generation System**

This Exhibit shall provide the estimated total costs that will be the responsibility of the Interconnection Member. It is assumed that the Initial application has been filed and the engineering studies have been paid for and completed. Those costs are not included on this listing.

Listed below is a general outline of some of the major areas where costs could occur. Other costs than those listed below may be included by Nodak Electric, provided that those costs are a direct result from the request to interconnect the Generation System. The following list is only a guideline. For each installation, Nodak Electric will be creating a unique Exhibit B that is tailored for that specific Generation System interconnection.

- A) Dedicated Facilities (equipment, design and installation labor)
- B) Monitoring & Control System (equipment, design and installation labor)
- C) Design Coordination and Review
- D) Construction Coordination labor costs
- E) Testing (development of tests and physical testing)
- F) Contingency

EXHIBIT C – Engineering Data Submittal

Attach a completed Engineering Data Submittal form from Appendix C of “Nodak Electric Cooperative, Inc. Interconnection Process for Generation Systems”.

EXHIBIT D – Operating Agreement

Each Generation System interconnection will be unique and will require a unique Operating Agreement. The following is a listing of some of the possible areas that will be covered in an operating agreement. The following has not been developed into a standard agreement due to the unique nature of each Generation System. It is envisioned that this Exhibit will be tailored by Nodak Electric for each Generation System interconnection. It is also intended that this Operating Agreement Exhibit will be reviewed and updated periodically, to allow the operation of the Generation System, to change to meet the needs of both Nodak Electric and the Interconnection Member, provided that the change does not negatively affect the other Party. There may also be operating changes required by outside issues, such as changes in MAPP, FERC and MISO requirements and/or policies which will require this Operating Agreement to be modified.

The following items are provided to show the general types of items which may be included in this Operating Agreement. The items included in the Operating Agreement shall not be limited to the items shown on this list.

- A. **Applicable Nodak Electric Rates:** Discussion on which rates are being applied for this installation and possibly how they will be applied.
- B. **Var Requirements:** How will the Generation System be required to operate so as to control the power factor of the energy flowing in either direction across the interconnection?
- C. **Inadvertent Energy:** This Operating Agreement needs to provide the method(s) that will be used to monitor, meter and account for the inadvertent energy used or supplied by the Generation System. Rates and operating rules that apply for this Generation System interconnection shall be discussed in this Operating Agreement.
- D. **Control Issues:** Starting and stopping of the generation, including the remote starting and stopping, if applicable.
- E. **Dispatch of Generation Resources:** If the Generation System is intended to be interconnected for extended period of time, there are several issues which need to be considered in the operating agreement such as:
 - a. What are the dispatch requirements for the Generation System?
 - b. Can it only run during Peak Hours?
 - c. Are there a limited number of hours that it can run?
 - d. Is the Generation System required to have met an availability percentage?
 - e. Is the Interconnection Member required to coordinate outages of the Generation System with Nodak Electric?

- F. **Outages of Distribution System:** The agreement will define the following:
- a. How are emergency outages handled?
 - b. How are other outages scheduled?
 - c. If the Interconnection Member requires Nodak Electric to schedule the outages during after-hours, who pays for Nodak Electric's overtime?
- G. **Notification / Contacts:** Listed in the operating agreement for operational purposes are:
- a. Who should be notified?
 - b. How should they be notified?
 - c. When should they be notified?
 - d. For what reasons should the notification take place, such as:
 - i. Starting of the Generation
 - ii. Dispatching of Generation
 - iii. Notification of failures (both Nodak Electric and Generation System failures)
- H. **Documentation of Operational Settings:** If the Generation System is intended to be interconnected for extended period of time, there are several issues which need to be considered in the operating agreement such as:
- a. How much fuel will the generation System typically have on hand?
 - b. How long can it run with this fuel capacity?
 - c. How is the generation system set to operate for a power failure?
- I. **Cost of testing for future inspections, failures, etc.:** During the course of normal inspections or if a component of the Generation System fails or needs to be replaced that affects the interconnection with Nodak Electric, this section will define the process for retesting, and for replacement. It will address who pays for the additional costs of Nodak Electric to work with the Interconnection Member to resolve these problems and/or to complete retesting of the modified equipment.
- J. **Right of Access:** Nodak Electric shall have access at all times to the disconnect switch of the Generation System for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement, to meet its obligation to operate the Nodak Electric grid safely, and to provide service to its Members at all times. If necessary for the purposed of this Agreement, the Interconnection Member shall allow Nodak Electric access to Nodak Electric's equipment and facilities located on its premises.

The Operating Agreement should be set up so that it is individually signed and dated by both parties.

Interconnection Member

By: _____

Name: _____

Title: _____

Date: _____

Nodak Electric Cooperative, Inc.

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT E – Maintenance Agreement

Each Generation System interconnection will be unique and will require a unique Maintenance Agreement. It is envisioned that this Exhibit will be tailored for each Generation System interconnection. It is also intended that this Maintenance Agreement Exhibit will be reviewed and updated periodically to allow the maintenance of the Generation System to be changed to meet the needs of both Nodak Electric and the Interconnection Member, provided that such change does not negatively affect the other Party. There may also be changes required by outside issues such as changes in MAPP, FERC, and MISO requirements and/or policies which will require this agreement to be modified.

Issues defined in this agreement will include:

- A. Routine Maintenance Requirements –
 - a. Who is providing maintenance and their contact information
 - b. Periods of maintenance

- B. Modifications to the Generation System - The Interconnection Member shall notify Nodak Electric in writing of plans for any modifications to the Generation System interconnection equipment at least twenty (20) business days prior to undertaking such modification. Modifications to any of the interconnection equipment, including all required protective systems, the generation control systems, the transfer switches/breakers, VT's & CT's, generating capacity and associated wiring shall be included in the notification to Nodak Electric. The Interconnection Member agrees not to commence installation of any modifications to the Generating System until Nodak Electric has approved the modification in writing. Nodak Electric shall have a minimum of five (5) business days and a maximum of ten (10) business days, to review and respond to the modification after the receipt of the information required to review the modifications.

The Maintenance Agreement should be set up so that it is individually signed and dated by both parties.

Interconnection Member

By: _____

Name: _____

Title: _____

Date: _____

Nodak Electric Cooperative, Inc.

By: _____

Name: _____

Title: _____

Date: _____