



DISTRIBUTED ENERGY RESOURCE CONTRACT

ABSTRACT

For use with interconnection of
Distributed Energy Resources
sized less than 40 kW

THIS CONTRACT is made and entered into this ____ day of _____ 20__ by and between _____, (“Interconnection Customer”), and Nodak Electric Cooperative, a Cooperative existing under the laws of the State of North Dakota, (“Cooperative”). Interconnection Customer and Cooperative each may be referred to as a “Party,” or collectively as the “Parties.”

This Contract addresses the interconnection of the Distributed Energy Resource (“DER”) system described as listed directly below.

DER System Information

Application Number: _____

Type of DER System: _____

Capacity Rating of System (AC): _____

Address of DER System: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. This Contract governs the terms and conditions under which the Interconnection Customer’s DER system will interconnect with, and operate in parallel with, the Cooperative’s distribution system.
2. Nothing in this Contract is intended to affect any other agreement between the Cooperative and the Interconnection Customer.
3. Compliance of Obligations. The Parties shall perform all obligations of this Contract in accordance with the Interconnection Process, the Cooperative’s Technical Requirements, all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
4. Interconnection Costs. The Interconnection Customer is responsible for the costs to interconnect the DER to the Cooperative’s distribution system. The interconnection costs are estimated to be _____. The estimated interconnection costs are due with the return of this Contract. Actual interconnection costs will be

reconciled after the DER system has been approved by the Cooperative for extended parallel operations to the distribution system.

5. Effective Date. This Contract shall become effective upon execution by the Parties. Purchase of excess energy produced by the DER system shall not occur until the DER system has been inspected and commissioned by the Cooperative.
6. Energy Purchase. The Cooperative shall purchase any energy that reaches the distribution system at the current year's avoided cost rate. Monthly the Cooperative shall credit the Interconnection Customer's electric service account the purchased energy from the DER system. At the request of the Interconnection Customer, the Cooperative will provide a check of the accrued purchased energy over the amount of \$50.
7. Insurance. For the duration of the operation of the DER system, the Interconnection Customer is required to have general liability insurance from a qualified insurance agency with a B+ or better rating by "A.M. Best" with a combined single limit of not less than \$300,000. 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 Customer's ownership and/or operation of the DER under this Contract.
8. Technical Compliance. The Interconnection Customer agrees to construct its facilities or systems in accordance with the Cooperative's Technical Requirements and this Contract; including, applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, Institute of Electrical and Electronics Engineers (IEEE), Underwriter's Laboratory (UL), and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its DER system so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Cooperative.
9. Once the DER system has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the DER system in the Cooperative's Technical Requirements.
10. Operations of Facilities. Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now owns or subsequently owns. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the Point of Common Coupling.

11. Modification of the Distributed Energy Resource. The Interconnection Customer must receive written authorization from the Cooperative before making any change to the DER system that may have a material impact on the safety or reliability of the distribution system. Material Modifications, including an increased Nameplate Rating or capacity, may require the Interconnection Customer to submit a new Interconnection Application as described in the Interconnection Process Section 11. If the Interconnection Customer makes such modification without the Cooperative's prior written authorization, the latter shall have the right to temporarily disconnect the DER system.
12. Right of Access. Upon reasonable notice, the Cooperative may send a qualified person(s) to the premises of the Interconnection Customer to inspect or to disconnect the DER system for maintenance or emergency situations.
13. Emergency Disconnection. Under emergency conditions, the Cooperative may immediately suspend interconnection service and temporarily disconnect the DER system. The Cooperative shall use Reasonable Efforts to notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may affect the DER system.
14. Temporary Disconnection. The Cooperative may temporarily disconnect the DER system from the Cooperative's distribution system when necessary for routine maintenance, construction, or repairs. The Cooperative shall use Reasonable Efforts to provide the Interconnection Customer with a minimum of one (1) Business Days' notice prior to such interruption.
15. Reconnection. The Parties shall cooperate with each other to restore the DER system, Interconnection Facilities, and the Cooperative's Distribution System to their normal operating state as soon as reasonably practicable following a temporary disconnection.
16. Assignment. This Contract may not be assigned by either Party.
17. Termination by Default. This Contract will terminate if the listed DER system is not interconnected to the Cooperative's distribution system within twelve (12) months of this Contract signed by the Parties. The Parties may choose to delay termination by mutual agreement.
18. Termination by Notice. The Interconnection Customer may terminate this Contract at any time by giving the Cooperative one month's written notice. The Cooperative may terminate this contract if the generating facilities described in this contract fails to operate for any consecutive twelve (12) month period or if the QF fails to remedy a violation of the interconnection process adopted by the Cooperative. Upon termination

of this Contract, the DER system will be disconnected from the Cooperative's distribution system. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Contract or such non-terminating Party otherwise is responsible for these costs under this Contract. The termination of this Contract shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

19. Limitation of Liability. Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Contract, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Contract.
20. Non-Warranty. The Cooperative does not 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 Customer, including without limitation the DER system and any structures, equipment, wires, appliances or devices not owned, operated or maintained by the Cooperative.
21. Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Contract on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.
22. Force Majeure. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Contract, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event.
23. Disputes. The Parties agree in a good faith effort to attempt to resolve all disputes arising out of the interconnection process and DER contract. The Parties agree to follow the established dispute resolution policy adopted by the Cooperative.
24. No Partnership. This Contract 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.

25. Inclusion of Cooperative's Tariff and Rules. The interconnection services provided under this Contract shall at all times be subject to the terms and conditions set forth in the rate schedules and rules applicable to the electric service provided by the Cooperative, which rate schedules and rules are hereby incorporated into this Contract by this reference.

Signatures

IN WITNESS THEREOF, the Parties have caused this Contract to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Cooperative]

[Insert name of Interconnection Customer]

Signed: _____

Signed: _____

Name (Printed):

Name (Printed):

Title: _____

Title: _____