



AGREEMENT FOR CLOSED TRANSITION OPERATION OF DISTRIBUTED GENERATION (DG)

Southern Public Power District
4550 West Husker Highway, PO Box 1687, Grand Island, NE 68802
308-384-2350, email: operations@southernpd.net

INTERCONNECTION AND SERVICE AGREEMENT

between

SOUTHERN PUBLIC POWER DISTRICT

and

This Interconnection and Service Agreement (“Agreement”) is entered into as of _____, 20____, by and between SOUTHERN Public Power District, a public corporation and political subdivision of the State of Nebraska, hereinafter referred to as “SOUTHERN PPD,” and _____, hereinafter referred to as “DG Operator”, and each at times singularly called ‘Party’ or collectively called ‘Parties’.

WITNESSETH

WHEREAS, SOUTHERN PPD owns and operates an electric subtransmission and distribution system in the State of Nebraska and is engaged in the purchase, transmission, distribution and sale of electric power and energy, and

WHEREAS, the DG Operator is installing certain electric generating facilities, which output is being purchased by SOUTHERN PPD and said purchase is addressed in an Energy Purchase Agreement entered into simultaneously with this Agreement between the DG Operator and SOUTHERN PPD, and

WHEREAS, the Parties to this Agreement will be electrically interconnected to provide a path for the delivery of power and energy from The DG Operator’s generating facilities to the delivery facilities of SOUTHERN PPD.

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the Parties do hereby mutually agree as follows:

ARTICLE I DEFINITIONS

- 1.1 The term “DG Operator Generation” shall mean the output from the DG Facility to be installed and owned by the DG Operator and which output is being purchased by SOUTHERN PPD. Said generation output is nominally rated at _____ Kilowatts (kW).
- 1.2 The term “DG Facility” shall mean all systems, equipment, facilities and other items comprising or necessary to operate and maintain the DG Operator Generation, which includes obtaining and delivery of fuel, and the generator systems.
- 1.3 The term “Metering Equipment” shall mean all equipment used to meter the amount of electrical power and energy delivered from SOUTHERN PPD to the DG Operator, and the amount of electrical power and energy delivered from the DG Facility to the SOUTHERN PPD system.
- 1.4 The term “Point of Measurement” shall mean that point(s) where the amount of electrical power and energy delivered from SOUTHERN PPD to the DG Operator, and the amount of electrical power and energy delivered from the DG Facility to the SOUTHERN PPD system are metered.
- 1.5 The term “Point of Interconnection” shall mean that point where SOUTHERN PPD owned facilities interconnect with DG Operator owned Interconnection Facilities.
- 1.6 The term “Interconnection Facilities” shall mean the DG Operator-owned facilities necessary to facilitate the physical interconnection between SOUTHERN PPD and the DG Operator.

**ARTICLE II
TERM OF AGREEMENT**

- 2.1 SOUTHERN PPD shall have the right to require the DG Operator to immediately disconnect, or SOUTHERN PPD will cause to be disconnected, the generation facility without advance notice or liability if: a) there are any changes or alterations to the DG facility equipment which are unapproved by SOUTHERN PPD; b) in SOUTHERN PPD's sole judgment, the facility has not incorporated necessary features for automatically counteracting the effect of anticipated possible sources of failure (fail-safe design); c) the facility causes any electrical problem(s) with other SOUTHERN PPD customers; d) the facility may pose a risk to SOUTHERN PPD employees, customers or the general public. Should this occur, it shall give SOUTHERN PPD the right to terminate its agreement with the DG Operator and to recover from the DG Operator the cost and expenses incurred by SOUTHERN PPD.

**ARTICLE III
APPLICABLE LAWS AND REGULATIONS**

- 3.1 This Agreement and all rights, obligations, and performances of the Parties hereunder, are subject to all applicable federal, state and local laws, ordinances, rules and regulations, and other duly authorized action of any governmental authority having jurisdiction over the Parties and/or their respective facilities. A Party performing work within the boundaries of the other Party's facilities must abide by the safety rules applicable to the site.

**ARTICLE IV
INTERCONNECTION FACILITIES**

- 4.1 The DG Operator shall own and be responsible for the cost, design, equipment, installation, maintenance, and renewals and replacements of the DG Facility and all facilities from the DG Facility to the Point of Interconnection. The generation equipment must detect and operate the generator breaker for system disturbances or generator malfunctions. Said facilities/equipment installed must meet applicable codes for generation facilities of this size to include but not be limited to, the National Electric Code, National Electric Safety Code, the Institute of Electrical and Electronics Engineers, and qualified independent testing laboratories.
- 4.2 SOUTHERN PPD shall make, or cause to make, the physical wiring connection at the Point of Interconnection.
- 4.3 The DG Operator shall own and be responsible for the design, equipment, installation, maintenance, renewals and replacements of all facilities required to deliver the DG Operator Generation to the Point of Interconnection.
- 4.4 The DG Operator agrees to allow SOUTHERN PPD access to the DG facility under both normal and emergency conditions for the purpose of inspection and testing of the interconnection equipment. Under normal conditions, SOUTHERN PPD intends to provide advance notice of all site visits and will coordinate such visits with the DG Operator or the DG Operator's representative. Emergency conditions may require SOUTHERN PPD access the DG facility without advance notice.
- 4.5 Upon termination of this Agreement, for any reason, either Party shall have the right to reclaim Interconnection Facilities that it owns.
- 4.6 SOUTHERN PPD shall have sole authority to operate and maintain switches and other equipment located on SOUTHERN PPD owned Interconnection Facilities.
- 4.7 The DG Operator agrees to limit generation, to the extent requested by SOUTHERN PPD in order to facilitate operation and maintenance of Interconnection Facilities or SOUTHERN PPD distribution facilities.
- 4.8 The DG Operator Generation shall be capable of synchronizing with an energized SOUTHERN PPD distribution system. The synchronous switching which interconnects the generation equipment to the SOUTHERN PPD line will be completed by an automatic synchronizing device to prevent damage to equipment. Upon completion of the generator connections and prior to the initial connection to the SOUTHERN PPD system, The DG Operator and SOUTHERN PPD will jointly check phasing and rotation between the generator and the utility system.
- 4.9 SOUTHERN PPD requires periodic testing and verification of all DG-utility interconnections. The test(s) shall verify the interconnection functions as originally approved by SOUTHERN PPD. The interconnection equipment shall be tested for conformity with the initial, 'as installed' test requirements. This testing will be done by SOUTHERN PPD employees.

- 4.10 If the DG Operator, at any time after the original construction of the Interconnection Facilities, requests a change or relocation of the Interconnection Facilities for any reason, a request from the DG Operator to SOUTHERN PPD for such change shall be made at least six months prior to the date of the proposed change or relocation. SOUTHERN PPD will provide to the DG Operator, as soon as practicable after a change or relocation request has been received, the estimated cost for the change or relocation of the Interconnected Facilities. Should The DG Operator decide to proceed with such change or relocation and prior to SOUTHERN PPD starting the work associated with the project, the parties shall agree upon the terms and conditions governing such change or relocation of Interconnected Facilities. All costs for change or relocation of the Interconnected Facilities requested by The DG Operator, including but not limited to, design, engineering, material, and installation shall be borne by The DG Operator.
- 4.11 In the event SOUTHERN PPD is required to change or relocate Interconnection Facilities due to the action of any governmental entity having regulatory authority over such facilities or upon request of change or relocation by SOUTHERN PPD for any reason, then the costs of the change or relocation of the Interconnected Facilities shall be borne by SOUTHERN PPD.

ARTICLE V DELIVERY POINT AND METERING

- 5.1 The DG Operator Generation shall be delivered by the DG Operator to SOUTHERN PPD at the Point of Interconnection and SOUTHERN PPD shall take possession of such output, as measured by metering equipment at that point.
- 5.2 SOUTHERN PPD shall own and be responsible for the cost, equipment, installation and maintenance to provide Metering Equipment at the Point of Interconnection.
- 5.3 The SOUTHERN PPD provided metering will meter the amount of electrical power and energy delivered from SOUTHERN PPD to the DG Operator, and the amount of electrical power and energy delivered from the DG Facility to the SOUTHERN PPD system. The net amount of any power delivered to the DG Operator will be charged at the applicable SOUTHERN PPD retail rate schedule. The DG Operator shall be responsible to pay SOUTHERN PPD for those assessed costs.
- 5.4 By January 31 of each year, the DG Operator must submit to SOUTHERN PPD a meter reading indicating the total amount of DG Operator Generation produced during the previous calendar year.
- 5.5 The installation of a DG facility does not exclude the DG Operator from the minimum charges associated with the account and calculated according to the applicable SOUTHERN PPD rate schedule or contracted agreement.

ARTICLE VI DELIVERY SERVICE

- 6.1 SOUTHERN PPD takes delivery of The DG Operator Generation at the Point of Interconnection.
- 6.2 Interconnection of the DG Facility with SOUTHERN PPD's distribution system does not grant to the DG Operator the right to export power, nor does it constitute an agreement to wheel excess power.

ARTICLE VII OWNERSHIP OF FACILITIES

- 7.1 Any Party having ownership of any and all equipment, and all salvageable facilities, installed on the property of the other, shall be and remain the owner of such property.

ARTICLE VIII INDEMNITY

- 8.1 The DG Operator hereby agrees to indemnify and hold harmless SOUTHERN PPD, their respective directors, officers, employees, agents and representatives, from any and all losses, and any and all claims, liabilities,

penalties, fines, costs and expenses incurred or paid in connection with any threatened or completed demand, claim, suit, order, injunction, proceeding or other action threatened or brought against an indemnified person for any reason whatsoever including (without limitation) for the loss of or damage to any property, or for the injury, disease or death of any person, caused by (whether in whole or in part), arising from, or in any manner related to any act or omission of The DG Operator, or any person acting for or on his behalf, in connection with any activity performed or undertaken pursuant to this Agreement. This agreement for indemnity shall survive the expiration or other termination of this Agreement.

**ARTICLE IX
CAPTIONS**

9.1 The captions of the various sections and paragraphs herein are intended for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

**ARTICLE X
WAIVER**

10.1 Any waiver at any time by a Party of its rights, or any delay in enforcing its rights, with respect to any default by the other Party hereto, or with respect to any other matter arising out of or related to this Agreement, shall not be considered a waiver with respect to any other default or matter.

**ARTICLE XI
ASSIGNMENT OF AGREEMENT**

11.1 This Agreement may not be assigned by the Parties or assumed by any successor of the Parties hereto without the written consent of the other Parties.

11.2 This Interconnection and Service Agreement and all related documents are not transferable to parties, DG facilities or DG equipment other than those identified in said documents. If the DG facility undergoes a change of DG Operatorship, or the facility is modified, any existing agreements between the previous DG Operator and SOUTHERN PPD are considered null and void. The new DG Operator, or the DG Operator of a modified DG facility, does not have SOUTHERN PPD permission for closed transition operation, and such circumstances will require the execution of a new Interconnection and Service Agreement. Refer to Southern Power District Distributed Generation Standard for additional information.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed, in duplicate, by their duly authorized officers or representatives as of the day and year first above written.

SOUTHERN PUBLIC POWER DISTRICT:

By: _____

Typed Name: _____

Title: _____

Date: _____

DG OPERATOR:

By: _____

Typed Name: _____

Title: _____

Date: _____