

**Randolph Electric Membership Corporation**

**Agreement for Interconnection of  
Distributed Generation (DG) Facilities  
100 kW or Less**

This Interconnection Agreement (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Randolph Electric Membership Corporation (“REMC”), and \_\_\_\_\_ (“DG Owner/Operator”), each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties.”

This agreement provides for the safe and orderly operation of the electrical facilities interconnecting the (DG Owner/Operator’s) facility at (land location or description of project) and the electrical distribution facility owned by REMC.

This Agreement does not supersede any requirements of any by-laws, applicable tariffs, rates, rules and regulations in place between (the DG Owner/Operator) and REMC.

1. **Intent of Parties:** It is the intent of (the DG Owner/Operator) to interconnect an electric power generator to REMC’s electrical distribution system.
2. **Operating authority:** (The DG Owner/Operator) is responsible for establishing operating procedures and standards within its organization. The operating authority for (the DG Owner/Operator) shall ensure that the “Operator in Charge” of the generator is competent in the operation of the electrical generation system and is aware of the provisions of any operating agreements and regulations relating to the safe operation of electrical power systems. The (DG Owner/Operator) shall ensure that the facilities comply with all applicable federal, state, and local laws and regulations, as well as prevailing industry standards, including without limitation those promulgated by the NEC, NESC, and IEEE.

The operating authority for (the DG Owner/Operator) is (name or title of operating authority, along with address and phone number).

3. **Operator in Charge:** The operator in charge is the person identified by name or job title responsible for the real time operation of all electrical facilities related to the interconnection and owned by their organization.

The “Operator in Charge” for (the DG Owner/Operator) is (name or title of operator in charge, along with address and phone numbers).

4. **Suspension of Interconnection:** The interconnection shall not compromise REMC's protection or operational requirements. The operation of the (DG Owner/Operator's) System and the quality of electric energy supplied by (the DG Owner/Operator) shall meet the standards as specified by REMC. If the operation of the (DG Owner/Operator's) system or quality of electric energy supplied (in the case of power export) does not meet the standards as specified, then REMC will notify (the DG Owner/Operator) to take reasonable and expedient corrective action. REMC shall have the right to disconnect the (DG Owner/Operator's) System, until compliance is reasonably demonstrated to REMC's satisfaction. Notwithstanding, REMC may in its sole discretion disconnect the (DG Owner/Operator's) generating plant from the distribution facility without notice if the operating of the generating plant imposes a threat, in REMC's sole judgment, to life and property.
5. **Maintenance Outages:** Maintenance outages will occasionally be required on REMC's system, and REMC will provide as much notice and planning as practical to minimize downtime. (DG Owner/Operator) acknowledges that in some emergency cases such notice may not be practical, and agrees that compensation will not be made for unavailability of REMC's facilities due to outages.
6. **Access:** Access is required at all times by REMC to the (DG Owner/Operator's) plant site for maintenance, operating and meter reading. (DG Owner/Operator) agrees to provide such access to REMC, and acknowledges REMC's right to inspect the (DG Owner/Operator's) facilities. (DG Owner/Operator) further acknowledges and agrees that while REMC possess such right of inspection, such right does not give rise to a duty or obligation to inspect and that consistent with paragraph 2 of this Agreement, (DG Owner/Operator) remains fully responsible for the safe operation of its facilities.
7. **Point of Common Coupling (PCC):** PCC shall be the point at which the (DG Owner/Operator)'s equipment interconnects with the equipment operated by REMC.
8. **REMC System Modification:** In the event that any modification, construction or additional equipment is required to be installed on REMC's distribution facilities for the purpose of interconnection, REMC shall have sole discretion and responsibility as to the manner and procedure of such measures. The cost of any modification, construction or additional facilities will be reimbursed to REMC by the (DG Owner/Operator).
9. **Metering:** Metering equipment shall be provided by the (DG Owner/ Operator) as specified by REMC for the purpose of power production measurement.
10. **Compensation:** REMC agrees to compensate the (DG Owner/Operator) for electric power production monthly at the rate of the avoided Wholesale Power Cost incurred by REMC. (DG Owner/Operator) agrees and acknowledges that the rate for avoided Wholesale Power Cost will vary depending on the nature of the power source and how that power correlates to the wholesale purchases avoided by REMC. REMC agrees to pay (DG Owner/Operator)   0   \$/kW for capacity and            \$/kWh for all energy

produced. This price will be paid until December of the current calendar year, at which time a new price will be calculated.

**11. Indemnity and Liability:**

- a. 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 hereunder, 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, incidental, consequential, or punitive damages of any kind.
- b. Indemnification: The parties shall at all times indemnify, defend and save the other party harmless from any and all damages, losses, claims, including claims and actions relating to injury or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney's fees, and all other obligation by or to third parties, arising out of or resulting from the other party's action or inaction of its obligations hereunder on behalf of the indemnifying party, except in cases of gross negligence or intentional wrongdoing by the indemnified party.
- c. The provisions of Section 11. (a) shall not be construed to relieve any insurer of its obligations to pay any claims in accordance with the provision of any valid insurance policy.
- d. If (DG Owner/Operator) at any time fails to comply with the insurance provisions of this Agreement, (DG Owner/Operator) shall, at its own cost, defend, save harmless and indemnify REMC, its directors, officers, employees, agents, assignees, and successors in interest from and against any and all loss, liability, damage, claim, cost, charge, demand, or expense of any kind or nature (including attorney's fees and other costs of litigation) resulting from the death or injury to any person or damage to any property, including the personnel and property of REMC, its contractors, its customers, and/or the public to the extent that REMC would have been protested had (DG Owner/Operator) complied with all such insurance provisions. The inclusion of this Section 11. (d) is not intended to create any express or implied right in (DG Owner/Operator) to elect not to provide any such required insurance.
- e. (DG Owner/Operator) shall be responsible for installing and maintaining devices adequate to protect against damages caused by irregularities or outages on REMC's system, regardless of the cause or fault, including devices to protect against voltage fluctuations and single phasing.

**12. Insurance:**

- a. (DG Owner/Operator) shall obtain and retain, for as long as its Generator is interconnected with the REMC's system, liability insurance which protects (DG Owner/Operator) from claims for bodily injury and/or property damage. For a non-residential (DG Owner/Operator) the minimum coverage shall be comprehensive general liability insurance with coverage at least \$300,000 per

occurrence and for a residential (DG Owner/Operator) the minimum coverage shall be at a standard homeowner's insurance policy with liability coverage in the amount of at least \$100,000 per occurrence. Prior to interconnection of the Generator with REMC's system, (DG Owner/Operator) shall furnish a properly executed certificate of insurance to REMC clearly evidencing the required coverage and any exclusions applicable to such coverage. The certificate shall provide that the insurance coverage shall not be canceled or modified unless and until REMC receives at least thirty (30) days prior written notice. (DG Owner/Operator) shall further replace such certificates for policies expiring during the period its Generator is interconnected with REMC's system. REMC has the right to refuse to establish or continue the interconnection of (DG Owner/Operator)'s generation facility to REMC's system if such insurance is not in effect.

- b. Insurance on the premises where the (DG Owner/Operator)'s Generator is located shall, by endorsement to the policy or policies, provide for thirty (30) days of written notice to REMC prior to cancellation, termination, alteration, or material change of such insurance.

**13. Effective Term and Termination Right:** This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. The Agreement may be terminated in accordance with the following:

- a. If (DG Owner/Operator) desires to terminate the Agreement, REMC will agree to such termination if REMC is satisfied that (DG Owner/Operator) no longer can operate (DG Owner/Operator)'s Generator in parallel with REMC's system at the premises and all bills for services previously rendered to (DG Owner/Operator), plus any applicable termination charges as specified in Exhibit \_\_\_\_, have been paid. REMC may waive the termination charges if REMC has secured or expects to secure from a new occupant or operator of the premises an Agreement satisfactory to REMC for the interconnection to REMC for a term not less than the unexpired portion of (DG Owner/Operator)'s Agreement.
- b. REMC, in addition to all other legal remedies, may either terminate the agreement or suspend interconnection with REMC (1) for any default or breach of Agreement by (DG Owner/Operator), (2) for failure to pay any applicable bills when due and payable, (3) for a condition on (DG Owner/Operator)'s side of the point of interconnection actually known by REMC to be, or which REMC reasonably anticipates may be, dangerous to life or property, (4) if (DG Owner/Operator) either fails to energize the Generator within 12 months of the Effective Date of this Agreement or permanently abandons the Generator, or (5) by giving the (DG Owner/Operator) at least sixty days notice in the event that there is a material change in an applicable rule or statute concerning interconnection and parallel operation of the Generator, unless the (DG Owner/Operator)'s installation is exempted from the change or the (DG Owner/Operator) complies with the change in a timely manner. No such termination or suspension, however, will be made by REMC without notice

delivered to (DG Owner/Operator), personally or by mail, stating what in particular in the Agreement has been violated, except that no notice need to be given in instances set forth in 13.(b)(3) above. Failure to operate the Generator for any consecutive 12 month period after the Effective Date shall constitute permanent abandonment unless otherwise agreed to in writing between the Parties.

14. **Entire Agreement:** This agreement and the documents attached hereto constitute the entire Agreement between the Parties relating to the subject matter hereof, there being no other agreements or understandings, written or oral, other than those contained in this Agreement and the attachments hereto. This Agreement does not modify, change or impact any other agreement between the parties relating to the supply of electric service, or the sale of, or purchase of, electric power.

15. **Governing Law:** This Agreement shall be governed by, and construed in accordance with, the laws of the State of North Carolina.

**AGREED TO BY:**

**DG Owner/Operator**

**Randolph Electric Membership Corp.**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date