

**SMALL GENERATION
INTERCONNECTION AND SERVICE AGREEMENT**

Between

Elkhorn Rural Public Power District

And

This Small Generation Interconnection and Service Agreement (“Agreement”) is entered into as of _____, 20__ (“Effective Date”), by and between **Elkhorn Rural Public Power District** (“REP),” a public corporation and political subdivision of the State of Nebraska, and _____ (“Customer”), each a “Party” and collectively the “Parties.”

I. SECTION 1 – GENERAL TERMS AND CONDITIONS

1.01 REP owns and operates an electric sub-transmission and distribution system (“Electrical System”) in the State of Nebraska, and is engaged in the purchase, transmission, distribution and sale of electric power. Customer wishes to install a small generation facility with a capacity rating up to _____kW at a single site (“Customer Facility”). Customer further wishes to interconnect the Customer Facility to REP’s Electrical System.

1.02 The Customer Facility and REP will be interconnected to allow the Customer Facility to operate synchronously with REP’s system. Additionally, interconnection will provide a path for energy delivery to and from REP’s system to the Customer. In the event of surplus generation by the Customer Facility, the interconnection will allow for the delivery of excess energy from the Customer Facility to REP. Therefore, Customer Facility must be equipped to automatically isolate the Customer Facility from the Electrical System in the event of an electrical power outage or other conditions where the interconnection line is de-energized.

1.03 All transactions and service provided to the Customer under this Agreement, including payment to the Customer for excess generation delivered to REP, shall be conducted and provided as outlined by the policies and/or pricing exhibits that are attached hereto and incorporated herein. The REP retains the sole right and authority to revise, amend, or entirely repeal said policies and/or pricing schedules for any interconnected generation, in whole or in part. **For net metering customers**, payment for the excess generation will be calculated based on REP's avoided cost as set forth within the schedules adopted by the REP Board of Directors.

1.04 REP shall have the right to require the Customer to immediately disconnect the Customer Facility, or REP may itself disconnect all services without advance notice or liability if: 1) the Customer Facility causes any offending power quality issues(s) with other REP customers or 2) if the facility poses a risk to REP employees, customers, or the general public, or 3) there are any changes or alteration to the Customer Facility which are not approved by REP. In the event the Customer Facility is disconnected for any reason, REP may terminate this Agreement. If the Customer Facility is disconnected, Customer shall bear all costs and expenses, including reasonable attorney's fees, associated with said disconnection.

1.05 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, including but not be limited to: the National Electric Code, National Electric Safety Code, the Institute of Electrical and Electronics Engineers, and the Underwriters Laboratories, Inc., as identified in the approved application for interconnection.

1.06 Interconnection of the Customer Facility does not grant to the Customer the right to export power using the REP utility distribution system, nor does it constitute an agreement to transmit excess power, as that term is defined by industry standard and custom, to others using REP facilities or equipment.

1.07 Prior to interconnection, Customer must submit to REP written proof of inspection certification by the Nebraska State Electrical Division.

1.08 In the event there is any inconsistency between the provisions of this Agreement and any policy adopted by the REP Board of Directors governing small generation purchases, the policy provisions adopted by the REP Board of Directors shall govern.

1.09 As of the Effective Date this Agreement shall continue in full force and effect for an initial term of five (5) years, then year to year thereafter, unless terminated pursuant to Section 1.04. Either Party may terminate this Agreement by providing at least one (1) year's prior written notice.

1.10 In the event ownership of the property upon which Customer's Facility is located or the Customer Facility itself is sold or transferred, it is the Customer's responsibility to notify the REP of the transfer. It is also the responsibility of the Customer to inform the buyer that prior to operation of the interconnected generation a new interconnection agreement must be executed. This Agreement may not be assigned without the prior written consent of the REP.

II. SECTION 2 – FACILITIES AND METERING

2.01 The Customer grants to REP the right to install, test, maintain, read, inspect, replace, repair, connect, and disconnect equipment or facilities, including meters, if any, placed upon Customer's property pursuant to the terms of this Agreement. REP shall have the right to inspect before interconnection to the Electrical System. The REP reserves the right to remove all equipment and facilities upon termination of this Agreement.

2.02 The Customer grants REP the right of ingress to and egress to the location of the Customer's Facilities.

2.03 Metering equipment will be installed and owned by the REP in compliance with board policies and will be used to measure the amount of Customer generation output, the amount of electrical power and energy delivered from REP to the Customer to serve load, and the amount of electrical power and energy, if any, delivered from the Customer. Additional metering may be installed and used to measure the total amount of customer generation at the generating facility.

2.04 Any costs associated for additional facilities or upgrades required for installation and service of the generation facility are the responsibility of the Customer and are outlined in the attached exhibit _____.

2.05 REP shall have the authority to operate and maintain switches and other equipment located on REP owned facilities as it may deem necessary in association with the interconnection with Customer's Facility.

2.06 Customer shall notify REP of plans for any material modification to the Customer Facility by providing at least 30 days advance notice. A "material modification" is defined as any modification that changes the maximum electric output or changes the interconnection equipment. REP will then have an additional 30 days to either approve or reject the proposed modification.

III. SECTION 3 – LIABILITY AND INDEMNITY

3.01 The Customer hereby agrees to indemnify and hold harmless REP, its directors, officers, employees, agents and representatives, from any and all losses, claims, liabilities, penalties, fines, costs and expenses incurred or paid in connection with the loss of or damage to any property, or for the injury, disease or death of any person, to the extent caused wholly or in part by the negligence or intentional wrongdoing of the Customer, or any person acting for or on his/her behalf, in connection with the design, construction, operation, or maintenance of those activities undertaken pursuant to this Agreement. Notwithstanding anything in this Section or any other provision, liability shall be limited to actual damages. This provision shall survive the expiration and/or termination of this Agreement.

3.02 In no event shall REP be liable under any provision of this Agreement for special, incidental or consequential damages, including, but not limited to, loss of profits, loss of revenue, loss of use of any property, cost of capital, cost of purchased power, cost of substitute equipment, facilities or services, downtime costs, or claims of Customer for such damages, even if REP is expressly informed of the same.

3.03 The Customer-generator shall provide proof of a minimum \$1,000,000 liability insurance coverage prior to interconnection and shall maintain the liability insurance coverage for the duration of the interconnection with REP's primary voltage distribution system. The retail customer generators shall provide a proof of insurance certificate annually to REP.

IV. SECTION 4 - APPROVAL

4.01 The Parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

ELKHORN RURAL PUBLIC POWER DISTRICT:

By: _____

Printed Name: _____

Title: _____

Date: _____

CUSTOMER:

By: _____

Printed Name: _____

Title: _____

Date: _____