



# KANKAKEE VALLEY REMC

8642 W US Hwy 30  
P.O. BOX 157  
WANATAH, INDIANA 46390

A Touchstone Energy® Cooperative 

PHONE: 800-552-2622  
or: 219-733-2511  
FAX: 219-733-2991

## AGREEMENT FOR INTERCONNECTION OF DISTRIBUTED GENERATION

### *For Qualifying Co-Generation and/or Small Power Production Facilities Owned and Operated by Residential Consumers*

This Interconnection Agreement (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, hereinafter referred to as “Cooperative”, a corporation organized under the laws of the State of Indiana and \_\_\_\_\_, hereinafter referred to as “DG Owner,” each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties.” In consideration of the mutual covenants set forth herein, the Parties agree as follows:

This agreement provides for the safe and orderly operation of the electrical facilities interconnecting the DG Owner’s facility, hereinafter referred to “QF,” at \_\_\_\_\_, and the electrical distribution system owned by the Cooperative.

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

1. **Intent of Parties:** It is the intent of DG Owner to interconnect an electric power generator to the Cooperative’s electrical distribution system.

It is the intent of the Cooperative to operate the distribution system to maintain a high level of service to their customers and to maintain a high level of power quality.

It is the intent of both parties to operate the facilities in a way that maintains quality of service and ensures the safety of the public and their employees.

2. **Suspension of Interconnection:** It is intended that the interconnection should not compromise or adversely affect the Cooperative’s protection, system or operational requirements. The operation of the DG Owner’s System and the quality of electric energy supplied by the DG Owner shall meet the standards as specified by the Cooperative. If the operation of the DG Owner’s system or quality of electric energy supplied, (in the case of power export), does not meet the standards as specified, then the Cooperative will notify the DG Owner to take reasonable and expedient corrective action.

3. The Cooperative shall have the right to disconnect the DG Owner's System, until compliance is reasonably demonstrated. Notwithstanding anything in this agreement, the Cooperative may in its sole discretion disconnect the DG Owner's generating plant from the Distribution Facility without notice if, based on the cooperative's sole judgment, the operation of the Generating Plant poses a threat of property damage or physical injury to Cooperative's facilities, employees or agents. Such disconnection without notice may occur in, but is not limited to the following situations:
  - System emergency and/or maintenance operations which require such action.
  - The existence of potentially hazardous condition relating to the QF.
  - Interference with the quality of service provided to other Member-Consumers, and/or the operation of the Cooperative's system, caused by or resulting from the operation of the QF.

Neither this provision nor this agreement creates a duty on the Cooperative to determine the safety of the DG Owner's System. In order to provide adequate safety to Cooperative employees, before connection to the Cooperative's system, the DG Owner shall furnish and install an Underwriter's Laboratory (UL) listed manual disconnect switch between the DG Owner's QF and the Cooperative's system in order that the QF may be positively disconnected from Cooperative's system. The location of the switch shall be properly grounded, accessible at all times and located near the main electric meter for ease of access by Kankakee Valley REMC personnel. The switch shall be capable of being locked in an open position but will not normally be locked. The switch must be labeled to identify its function.

4. **Maintenance/Outages:** Maintenance outages will occasionally be required on the Cooperative's system, and the Cooperative will provide as much notice and planning as practical to minimize downtime. It is noted that in some emergency cases such notice may not be practical. Compensation shall not be paid for unavailability of Cooperative's facilities due to outages.
5. **Modifications:** DG Owner shall notify Kankakee Valley REMC of plans for any material modification to the DG Facility by providing at least twenty (20) working days advance notice. A 'material modification' is defined as any modification that changes the maximum electrical output of the DG Facility or changes the interconnection equipment (e.g., changing from certified to non-certified devices or replacement of any component with a component of different functionality or UL listing.) The notification shall consist of a completed, revised Application and such supporting materials as may be reasonable requested by Kankakee Valley REMC. DG Owner agrees not to commence installation of any material modification to the DG Facility until Cooperative has approved the revised Application. Cooperative shall indicate its written approval or rejection of any revised Application within twenty (20) working days after it receives the completed application and all supporting materials.

6. **Quality of Service:** The electrical characteristics of the QF shall conform to the standards established by the Cooperative, including, but not limited to voltage, current, frequency, harmonics and automatic synchronization. Operation of the QF must not cause any reduction of the quality of service provided to other Member-Consumers or interfere with the operation of the Cooperative's system. DG Owner shall take such corrective action as may be necessary in order to eliminate such condition, and shall reimburse the Cooperative for any costs incurred by the Cooperative in connection with the correction or elimination of such conditions. Cooperative reserves the right to require the DG Owner to provide, at DG Owner's expense, suitable apparatus for filtering to avoid interference with telephone, radio, television or other electronic reception caused by electrical equipment and apparatus on DG Owner's premises. Failure of DG Owner to take action when requested by the Cooperative shall be grounds for discontinuation of service .

7. **DG Facility Testing:**

**Commissioning Tests:** The DG Owner shall notify Cooperative in writing that installation of the DG Facility is complete and that the interconnection equipment is available for testing at least fifteen (15) working days before DG Owner interconnects the DG Facility with Cooperative's distribution system. Cooperative shall thereupon have the right to test the DG Facility and/or be present to witness any testing by the DG Owner of the DG Facility. If Cooperative waives its right to test the installed DG Facility by notifying DG Owner in accordance with this section, DG Owner may interconnect the DG Facility to Cooperative's distribution system upon the earlier to occur of the following: (a) notification from; or (b) fifteen (15) working days after DG Owner has notified Cooperative that installation of the DG Facility is complete.

**Anti-Islanding Tests:** The DG Owner must test the DG Facility for Anti-Islanding upon initial installation and then every other year, with a Cooperative representative present, to ensure that the equipment is operating correctly. This may be done in conjunction with other annual system maintenance and at a time that is convenient to both DG Owner and the Cooperative.

8. **Access:** DG Owner shall comply with all applicable laws, rules and regulations governing the operation of its QF. Authorized representatives of the Cooperative, and its power supplier, shall have the right to enter upon the DG Owner's property at all reasonable times to inspect the QF and to insure that it is being operated in compliance with the Cooperative's safety and operating standards, and with all other applicable safety laws, rules and regulations. Cooperative shall also have the right at all reasonable times to enter DG Owner's property to read meters and to verify the accuracy of Cooperative meters. Such inspections shall not relieve the DG Owner of its obligation to maintain its facilities in safe and satisfactory operating condition. The Cooperative reserves the right, but not the obligation, to inspect the DG Owner's facilities.

9. **Liability and Indemnification:** DG Owner shall assume all liability for and shall indemnify the Cooperative, its officers, directors and employees against any claims, losses, costs, and expenses of any kind or character, including attorney's fees, to the extent that they result from construction, malfunction or operation of DG Owner's facility.

10. **Excess Energy Production:** If DG Owner's QF is rated by the manufacturer at 10 KW or less, the DG Owner shall be allowed to select one of two options concerning any excess energy production.

A. If DG Owner does not wish to be reimbursed for excess energy production from their QF, the DG Owner shall remain on their current Rate Schedule and the Cooperative's electric meter at the location shall be programmed to prevent backward rotation of the meter.

B. If DG Owner desires to receive reimbursement for excess energy production from their QF, DG Owner may elect to receive service under the terms contained in the Cooperative's Rate Schedule R-NM. Cooperative shall receive all renewable attributes/rights under Federal, State and/or Local law associated with its purchase of the output from qualified renewable Distributed Generation.

If DG Owner's QF is rated by the manufacturer at more than 10 KW, excess energy produced by DG Owner shall be sold to Wabash Valley Power Association, Inc., a Generation & Transmission cooperative operating in the State of Indiana, hereinafter referred to as "WVPA," and providing power requirements for Cooperative. Any such sale of excess energy shall be governed by separate agreement between the DG Owner and WVPA. DG Owner shall still be required to execute an Indemnity Agreement with the Cooperative and shall be responsible for any expenses incurred by the Cooperative related to the interconnection of their QF.

11. **Metering:** A DG Owner participating in option A of section 10 shall not incur any additional metering expense for programming of the meter by the Cooperative. A DG Owner participating in option B of section 10 shall not incur any additional metering expense for programming of the meter by the Cooperative to participate in Rate Schedule R-NM. A DG Owner shall be responsible for all metering costs incurred by the Cooperative in association with the sale of energy produced by the DG Owner to WVPA.

12. **Term:** This agreement shall be valid for a period of five (5) years and shall automatically renew for successive 1 year terms thereafter. It may be canceled by either party with not less than 30 days written notice to the other party prior to the expiration of any term or renewed term.

13. **Litigation costs:** If either party shall bring litigation to enforce this agreement, the prevailing party shall be entitled to recover attorney fees and litigation costs from the other party.

14. **Successors:** It is the intent of the parties hereto that this agreement shall be binding on their heirs, assigns and successors in interest. It is not the intent of this agreement to create a partnership relationship between the parties.

15. **Insurance:** The DG Owner shall purchase, maintain and possess comprehensive general liability insurance in the amount of \$500,000.00, naming the Cooperative as an additional interested party or certification holder. Such policy shall be kept up to date and valid, the

terms of which insure against liability as the result of any claims, losses, costs, and expenses of any kind or character that result from construction, malfunction or operation of DG Owner's facility. The DG Owner, or his homeowner's insurance company/agent, shall provide proof of such insurance, prior to interconnection, annually and upon reasonable inquiry from the Cooperative. Failure to maintain said insurance in force, or provide required proof thereof, shall be cause for discontinuation of service.

AGREED TO BY:

DG Owner

Cooperative

\_\_\_\_\_ ,

KANKAKEE VALLEY REMC

\_\_\_\_\_  
Inc./Corp./LLC/Individually

By: \_\_\_\_\_

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[printed name]

\_\_\_\_\_  
[printed name]

\_\_\_\_\_  
[Signature]

Title: \_\_\_\_\_

\_\_\_\_\_  
[printed name]

Date: \_\_\_\_\_

Date: \_\_\_\_\_