

Interconnection and Power Purchase Agreement

THIS AGREEMENT, made this _____ day of _____ 20__, by and between _____ (hereinafter called “Cooperative”), _____ (hereinafter called “Generator”) and Allegheny Electric Cooperative (hereafter called “Allegheny”).

WITNESSETH

WHEREAS, the Generator has indicated a desire to install electric generating facilities described on the attached Schedule A on his/her property located at _____ within the service territory of Cooperative; and

WHEREAS, the subject generating facilities will utilize renewable resources as fuel and/or otherwise meet the qualification standards for 1) Qualifying Facilities (QF) established by the Federal Energy Regulatory Commission (FERC) in regulations at 18 C.F.R. Part 292 and in Docket No. RM79-54, Order No. 70 and/or 2) Alternative Energy Systems (AES) established by the Pennsylvania Alternative Energy Portfolio Standards Act of 2004 (Act 213); and

WHEREAS, the Generator wishes to generate electric energy for sale to Allegheny or for his/her own uses with sale of any excess energy to Allegheny; and

WHEREAS, the Cooperative and Allegheny, consistent with their policies of encouraging innovation in the energy field, are willing to interconnect and operate in parallel with the said AES/QF and, if required, to furnish parallel electric service to the Generator for the operation of his/her AES/QF and/or other uses;

NOW THEREFORE, Cooperative, Allegheny and the Generator agree as follows:

1. The Cooperative shall furnish electric service and supply the energy requirements of the Generator that are not supplied by the AES/QF in accordance with the rate schedule applicable to the Generator’s class of service as a member of the Cooperative.

2. The Cooperative shall credit an AES at the full retail rate for each kilowatt-hour produced by an AES installed on the member's side of the electric revenue meter, up to a total amount of electricity used by the member during the billing period. For AESs involved in virtual meter aggregation, a credit shall be applied first to the meter through which the Cooperative supplies electricity to the distribution system, then through the remaining meters for the AES's account equally at each meter's designated rate.

3. Allegheny shall purchase all power and energy delivered into the Cooperative's electric system by the Generator on the terms and conditions of Rate Schedule SPP, which is attached and made part of this Agreement by reference, as such Schedule may be modified by any revisions approved by Allegheny's Board of Directors.

4. The installation and operation of the AES/QF shall be in accordance with the policies, rules, regulations and applicable rate schedule, copies of which are attached and made part of this Agreement by reference, which from time to time may be modified or adopted by the Cooperative and / or Allegheny.

5. Prior to the installation of the AES/QF, the Generator shall submit his/her plans and specifications for the AES/QF to Cooperative for review to assure compliance with the Cooperative's rules, regulations and interconnection policy. Such review shall not be construed as permission to operate the facilities without written authorization from Cooperative after inspection of the completed facilities as hereinafter provided.

6. Prior to interconnection of the AES/QF, the Generator shall notify Cooperative and the Cooperative shall inspect the facilities for compliance with the Cooperative's or Allegheny's rules, regulations and bylaws. Cooperative shall inspect and test the operation of the AES/QF to assure the safety of the personnel of the Cooperative and the satisfactory operation of the AES/QF in parallel with the Cooperative's system before authorizing the operation of the AES/QF. Such inspection by the Cooperative shall not relieve the Generator from his/her responsibility to install, operate, and maintain the AES/QF in a safe and satisfactory manner. The above-described inspection does not impose any obligation upon the Cooperative or Allegheny to warrant or ensure in any manner the AES/QF's safety or compliance with this Agreement. Further, the Cooperative and Allegheny make no representations concerning, and expressly disclaim any expertise or specialized knowledge relating to the particular type of generation employed by the Generator or the equipment

associated with such generation.

7. The Generator shall reimburse the Cooperative and Allegheny for their respective costs of providing additional facilities or modifying existing facilities, including metering, required to interconnect with the AES/QF. Payment shall be due within 30 days of receipt of a statement thereof from the Cooperative and/or Allegheny. Said payment shall be received prior to physical interconnection of the facilities.

8. The Cooperative or Allegheny may at any time install or modify its equipment as it deems necessary to ensure the safety of its personnel and the satisfactory operation of its system, and/or the accuracy of its meter as a result of the operation of the AES/QF. The Generator shall reimburse the Cooperative or Allegheny for the total cost of such installation or modification within 30 days of receipt of a statement thereof from the Cooperative or Allegheny.

9. Authorized Cooperative or Allegheny personnel shall have the right to enter upon the Generator's property at any time for the purpose of inspecting the AES/QF and making additional tests to ensure the continued safe operation of the AES/QF and the accuracy of the meter. Such inspections shall not relieve the Generator from his/her obligation to install, operate, and maintain the AES/QF in a safe and satisfactory manner.

10. If, in the judgment of the Cooperative or Allegheny, the Generator has failed to maintain the AES/QF in satisfactory operating condition, the Cooperative or Allegheny may notify the Generator to disconnect the AES/QF from the Cooperative's system. In the event the Generator fails to immediately comply with such notice, the Cooperative may discontinue service to the Generator until the AES/QF is disconnected or restored to a satisfactory operating condition.

11. The Generator shall have the sole responsibility for the safety and electrical protection of his/her AES/QF, without regard to the condition of the Cooperative's or Allegheny's facilities.

12. The Generator agrees that he/she shall indemnify and hold harmless the Cooperative and Allegheny for any personal injuries to any person and/or damage to property of any type arising out of the existence, maintenance, and operation of the Generator's AES/QF regardless of whether the injury or damage occurs on the Cooperative's and/or Allegheny's side of the interconnection point.

13. Except for residential consumer-members, the Generator shall procure and maintain the following liability insurance in the amounts stated:

A. Bodily injury in the amount of \$1,000,000 or greater per

occurrence.

- B. Property damage in the amount of \$1,000,000 or greater per occurrence.

The Cooperative and Allegheny shall be listed as Additional Named Insureds on the Policy and the Cooperative and Allegheny shall be given a minimum of twenty (20) days advance notice of cancellation or non-renewal of the Policy. Residential consumer-members that are AES/QF owners are strongly advised to maintain a current liability insurance policy adequate in amount to cover all forms of liability that may arise from the operation of the AES/QF interconnected to the Cooperative's electrical system. The policy should list the Cooperative and Allegheny as additional named insured.

14. This Agreement shall become effective immediately upon the execution hereof and shall continue in effect until terminated by any party upon thirty (30) days written notice given to the other parties. Termination shall require permanent disconnection of the AES/QF.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

ATTEST:

COOPERATIVE

By

ATTEST:

GENERATOR

By

Address

Telephone No.

ATTEST:

ALLEGHENY ELECTRIC COOPERATIVE, INC.

By
