

DISTRIBUTED GENERATION INTERCONNECTION, PURCHASE AGREEMENT

Sheridan Electric Cooperative

This agreement ("Agreement") is made and entered into this _____ day of _____, by and between _____ ("interconnection customer"), as an individual person, or as a _____ organized and existing under the laws of the State of Montana, and Sheridan Electric Cooperative, ("utility"), a Distributive Cooperative existing under the laws of the State of Montana. Interconnection customer and utility each may be referred to as a "Party," or collectively as the "Parties."

Recitals:

Whereas, interconnection customer is proposing to install or direct the installation of a distributed generation facility, or is proposing a generating capacity addition to an existing distributed generation facility, consistent with the interconnection request application form completed by interconnection customer on _____; and

Whereas, the interconnection customer will operate and maintain, or cause the operation and maintenance of, the distributed generation facility; and

Whereas, interconnection customer desires to interconnect the distributed generation facility with utility's electric distribution system; and

Whereas, a comprehensive interconnection study may be performed by the utility at the interconnecting customer's cost; and

Whereas, the interconnecting customer is responsible for costs associated with all modifications and/or improvements to the utility's system to connect the customer's facilities.

Now, therefore, in consideration of the premises and mutual covenants set forth in this Agreement, the Parties covenant and agree as follows:

Article 1. Scope and Limitations of Agreement

- 1.1 This Agreement shall be used for all approved interconnection requests conducted by the utility in compliance with all applicable state and electrical codes.
- 1.2 This Agreement governs the terms and conditions under which the distributed generation facility will interconnect to, and operate in parallel with, the utility's electric distribution system.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the interconnection customer's power.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between the utility and the interconnection customer.
- 1.5 Energy served to the interconnecting customer's location for either generation needs, or other service request may be metered independently from the generation meter if determined necessary by the utility or the utility's power supplier.
- 1.6 Interconnecting customer is responsible for all costs associated for interconnecting to the utility's distribution facilities.
- 1.7 Responsibilities of the Parties
 - 1.7.1 The Parties shall perform all obligations of this Agreement in accordance with all applicable laws, regulations, codes, ordinances, orders, or similar directives of any government or other authority having jurisdiction.
 - 1.7.2 The utility shall construct, own, operate, and maintain its new facilities in accordance with this Agreement. Costs associated with constructing the new facilities is the responsibility of the interconnecting customer. These facilities will be referenced in the blueprints and the line diagrams provided.

- 1.7.3 The interconnection customer shall construct, own, operate, and maintain its distributed generation facility and interconnection facilities in accordance with this Agreement. These facilities will be referenced in the blueprints and the line diagrams provided.
- 1.7.4 The interconnecting customer is responsible for all permits, taxes, and fees associated with generation. The interconnecting customer is also responsible for ensuring compliance with all environmental rules and regulations and the need for conducting all necessary studies or assessments.
- 1.7.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for, the facilities that it now owns or subsequently may own unless otherwise specified in the attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair, and condition of its respective lines and appurtenances (accessories or extras) on its respective sides of the point of interconnection.
- 1.7.6 The interconnection customer agrees to design, install, maintain, and operate its distributed generation facility so as to minimize the likelihood of causing an adverse system impact on the electric distribution system or any other electric system that is not owned or operated by the utility.

1.8 Parallel Operation Obligations

Once the distributed generation facility has been authorized to commence parallel operation, the interconnection customer shall abide by all operating procedures established in IEEE Standard 1547 and any other applicable laws, statutes or guidelines, including those specified in Attachment 4 of this Agreement.

1.9 Metering

The interconnection customer shall be responsible for the cost to purchase, install, operate, maintain, test, repair, and replace metering and data acquisition equipment specified in Attachments 5 and 6 of this Agreement. All required communication for metering is the responsibility of the interconnecting customer. Utility has claim to the accuracy or responsibility of operation for the generation metering.

1.10 Relaying and Protection

- 1.10.1 Distributed generation must comply with all necessary protection and communication schemes to ensure safe operation of the generation site and to maintain integrity of the utility's distribution system. Specific protection requirements will be assessed during the interconnection study. The connected generation must comply with the requirements of the interconnection study and the utility's standards.

1.11 Reactive Power

- 1.11.1 Interconnection customers with a distributed generation facility shall design their distributed generation facilities to maintain a power factor at the point of interconnection between .95 lagging and .95 leading at all times. The utility reserves the right to halt interconnecting customers generation for any operation outside stated power factor.
- 1.11.2 Any utility requirements for meeting a specific voltage or specific reactive power schedule as a condition for interconnection shall be clearly specified in Attachment 4. Under no circumstance shall the utility's additional requirements for voltage or reactive power schedules be outside of the agreed-upon operating parameters defined in Attachment 4.
- 1.11.3 If the interconnection customer does not operate the distributed generation facility within the power factor range specified in Attachment 4 or does not operate the distributed generation facility in accordance with a voltage or reactive power schedule specified in Attachment 4, the interconnection customer is in default, and the terms of Article 6.5 apply. Utility may immediately disconnect without notice for any power factor deviation or default condition.

1.12 Standards of Operations

- 1.12.1 The interconnection customer must obtain all certifications, permits, licenses, and approvals necessary to construct, operate, and maintain the facility and to perform its obligations under this Agreement. The interconnection customer is responsible for coordinating and synchronizing the distributed generation facility with the utility's system. The interconnection customer is responsible for any damage that is caused by the interconnection customer's failure to coordinate or synchronize the distributed generation facility with the electric distribution system. The interconnection customer agrees to be primarily liable for any damages resulting from the continued operation of the distributed generation facility after the utility ceases to energize the line section or upon utility re-energization of the line section to which the distributed generation facility is connected and still operating. In Attachment 4, the utility shall specify the shortest reclose time setting for its protection equipment that could affect the distributed generation facility. The utility

shall notify the interconnection customer at least ten business days prior to adopting a faster reclose time on any automatic protective equipment, such as a circuit breaker or line recloser, that might affect the distributed generation facility.

- 1.12.2 Suspension of Interconnection: It is intended that the interconnection should not compromise the Cooperative'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 the Cooperative. 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 the Cooperative will notify the DG Owner/Operator to take reasonable and appropriate corrective action. The Cooperative shall have the right to disconnect the DG Owner/Operator's System, until compliance is reasonably demonstrated. Notwithstanding, the Cooperative 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 the cooperative's sole judgment, to life and property.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

The interconnection customer shall test and inspect its distributed generation facility including the interconnection equipment prior to interconnection in accordance with respective IEEE Standards. The interconnection customer shall not operate its distributed generation facility in parallel with the utility's electric distribution system without prior written authorization by the utility as provided for in Articles 2.1.1-2.1.3.

- 2.1.1 The utility shall perform a witness test after construction of the distributed generation facility is completed, but before parallel operation, unless the utility specifically waives the witness test. The interconnection customer shall provide the utility at least 15 business days' notice of the planned commissioning test for the distributed generation facility. If the utility performs a witness test at a time that is not concurrent with the commissioning test, it shall contact the interconnection customer to schedule the witness test at a mutually agreeable time within ten business days after the scheduled commissioning test designated on the application. If the utility does not perform the witness test within ten business days after the commissioning test, the witness test is deemed waived unless the Parties mutually agree to extend the date for scheduling the witness test, or unless the utility cannot do so for good cause, in which case, the Parties shall agree to another date for scheduling the test within ten business days after the original scheduled date. If the witness test is not acceptable to the utility, the interconnection customer has 30 business days to address and resolve any deficiencies. This time period may be extended upon agreement in writing between the utility and the interconnection customer. If the interconnection customer fails to address and resolve the deficiencies to the satisfaction of the utility, the applicable cure provisions of Article 6.5 shall apply. The interconnection customer shall, if requested by the utility, provide a copy of all documentation in its possession regarding testing conducted pursuant to the applicable IEEE Standards.
- 2.1.2 If the interconnection customer conducts interim testing of the distributed generation facility prior to the witness test, the interconnection customer shall obtain permission from the utility before each occurrence of operating the distributed generation facility in parallel with the electric distribution system. The utility may send qualified personnel to the distributed generation facility to observe such interim testing, but it cannot mandate that these tests be considered in the final witness test. The utility is not required to observe the interim testing or precluded from requiring the tests be repeated at the final witness test.
- 2.1.3 After the distributed generation facility passes the witness test and all necessary protection devices and communication devices are satisfactorily confirmed the utility shall acknowledge interconnection and approve operation with utilities distribution system.

2.2 Commercial Operation

The interconnecting customer is responsible for all onsite operations in accordance with the generation schedule. The utility claims no responsibility in operations of interconnecting customers equipment or facilities.

2.3 Right of Access

The utility must have access to the disconnection device or disconnect switch, and metering equipment of the distributed generation facility always. When practical, the utility shall provide notice to the customer prior to using its right of access.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by all Parties.

3.2 Term of Agreement

This Agreement shall become effective on the effective date. This agreement may be reviewed annually and can be terminated at any time post 30 day written notice by either party. If ownership of generation changes, utility must be notified within 30 days or interconnection is deemed void and will be disconnected. This will be subject to the utilities written approval that should not be reasonably withheld.

3.3 Termination

3.3.1 The interconnection customer may terminate this Agreement at any time by giving the utility 30 calendar days' prior written notice.

3.3.2 The utility may terminate this Agreement at any time by giving the interconnection customer 30 days written notice.

3.3.3 Either Party may terminate this Agreement after default pursuant to Article 6.5.

3.3.4 The utility may terminate, upon 30 calendar days' prior written notice, for failure of the interconnection customer to complete construction of the distributed generation facility within 12 months after the in-service date as specified by the Parties in Attachment 2, which may be extended by mutual written agreement between the Parties prior to the expiration of the 12-month period.

3.3.5 The utility may terminate this Agreement, upon 30 calendar days' prior written notice, if the interconnection customer has abandoned, cancelled, permanently disconnected, or stopped development, construction, or operation of the distributed generation facility, or if the interconnection customer fails to operate the distributed generation facility in parallel with the utility's electric system for 12 consecutive months. Any site remediation or expenses incurred because of customers abandonment or non-compliance with this Agreement will be the interconnecting customer's responsibility.

3.3.6 Upon termination of this Agreement, the distributed generation facility will be disconnected from the utility's electric distribution system. Terminating this Agreement does not relieve either Party of its liabilities and obligations that are owed or continuing when the Agreement is terminated.

3.3.7 If the Agreement is terminated, the interconnection customer loses its position in the interconnection review order.

3.3.8 Interconnection may be terminated for not maintaining current account(s) with utility.

3.4 Temporary Disconnection

A Party may temporarily disconnect the distributed generation facility from the electric distribution system in the event one or more of the following conditions or events occurs:

3.4.1 Emergency conditions - Shall mean any condition or situation: (1) that in the judgment of the Party making the claim is likely to endanger life or property; or (2) that the utility determines is likely to cause an adverse system impact, or is likely to have a material adverse effect on the utility's electric distribution system, interconnection facilities or other facilities, or is likely to interrupt or materially interfere with the provision of electric utility service to other customers; or (3) that is likely to cause a material adverse effect on the distributed generation facility or the interconnection

equipment. Under emergency conditions, the utility or the interconnection customer may suspend interconnection service and temporarily disconnect the distributed generation facility from the electric distribution system without giving notice to the other Party, provided that it gives notice as soon as practicable thereafter. The utility must notify the interconnection customer when it becomes aware of any conditions that might affect the interconnection customer's operation of the distributed generation facility. The interconnection customer shall notify the utility when it becomes aware of any condition that might affect the utility's electric distribution system. To the extent information is known, the notification shall describe the condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

- 3.4.2 Scheduled maintenance, construction, or repair - The utility may interrupt interconnection service or curtail the output of the distributed generation facility and temporarily disconnect the distributed generation facility from the utility's electric distribution system when necessary for scheduled maintenance, construction, or repairs on utility's electric distribution system. To the extent possible, the utility shall provide the interconnection customer with notice five business days before an interruption. The utility shall coordinate the reduction or temporary disconnection with the interconnection customer; however, the interconnection customer is responsible for out-of-pocket costs incurred by the utility for deferring or rescheduling maintenance, construction, or repair at the interconnection customer's request.
- 3.4.3 Forced outages - The utility may suspend interconnection service to repair the utility's electric distribution system. The utility shall provide the interconnection customer with prior notice, if possible. If prior notice is not possible, the utility shall, upon written request, provide the interconnection customer with written documentation, after the fact, explaining the circumstances of the disconnection.
- 3.4.4 Adverse system impact - The utility must provide the interconnection customer with written notice of its intention to disconnect the distributed generation facility, if the utility determines that operation of the distributed generation facility creates an adverse system impact. The documentation that supports the utility's decision to disconnect must be provided to the interconnection customer. The utility may disconnect the distributed generation facility if, after receipt of the notice, the interconnection customer fails to remedy the adverse system impact within 10 days, unless emergency conditions exist, in which case, the provisions of Article 3.4.1 apply. The utility may continue to leave the generating facility disconnected until the adverse system impact is corrected to the satisfaction of both the utility and the adversely impacted customer.
- 3.4.5 Modification of the distributed generation facility - The interconnection customer must receive written authorization from the utility prior to making any change to the distributed generation facility, other than a minor equipment modification. If the interconnection customer modifies its facility without the utility's prior written authorization, the utility has the right to disconnect the distributed generation facility until such time as the utility concludes the modification poses no threat to the safety or reliability of its electric distribution system.
- 3.4.6 Unauthorized connection to the utility's electric distribution system.
- 3.4.7 Failure of the distributed generation facility to operate in accordance with this Agreement.
- 3.4.8 The utility is not responsible for any lost opportunity or other costs incurred by interconnection customer as a result of an interruption of service under Article 3.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

- 4.1.1 The interconnection customer shall pay for the cost of the interconnection facilities as outlined in the interconnection study and itemized in Attachment 3. The utility shall identify the additional interconnection facilities necessary to interconnect the distributed generation facility with the utility's electric distribution system, the cost of those facilities, and the time required to build and install those facilities, as well as an estimated date of completion of the building or installation of those facilities.
- 4.1.2 The interconnection customer is responsible for its expenses, including overheads, associated with owning, operating, maintaining, repairing, and replacing its interconnection equipment.

4.2 Distribution Upgrades

- 4.2.1 The utility shall design, procure, construct, install, and own any distribution upgrades. The actual cost of the distribution upgrades, including overheads, shall be directly assigned to the interconnection customer whose distributed generation facility caused the need for the distribution upgrades.

Article 5. Billing, Payment, Milestones, and Financial Security

5.1 Billing and Payment Procedures and Final Accounting (Applies to additional reviews conducted under a Level 2 review and Level 4 reviews)

- 5.1.1 The utility shall bill the interconnection customer for the design, engineering, construction, and procurement costs of utility-provided interconnection facilities and distribution upgrades contemplated by this Agreement as set forth in Attachment 3. An estimate of all anticipated project costs will be provided to the interconnecting customer. The estimated project costs must be paid in full prior to commencing work outlined in Attachment 3. Once project is complete final costs will be assessed, any excess collected funds will be returned to the interconnecting customer, any additional funding will be paid for in full before interconnection is placed in service.

Article 6. Assignment, Limitation on Damages, Indemnity, Force Majeure, and Default

6.1 Assignment

- 6.1.1 This Agreement may be assigned by either Party with 30 days' prior written notification. If the interconnection customer attempts to assign this Agreement, the assignee must agree to the terms of this Agreement in writing and such writing must be provided to the utility. Any attempted assignment that violates this Article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason of the assignment. An assignee is responsible for meeting the same obligations as the assignor.

6.2 Limitation on Damages

- 6.2.1 Except for cases of gross negligence or willful misconduct, the liability of any Party to this Agreement shall be limited to direct actual damages, including death, bodily injury, breach of contract, third-party claims, and reasonable attorney's fees, and all other damages at law are waived. Under no circumstances, except for cases of gross negligence, or willful misconduct, shall any Party or its directors, officers, employees, and agents, or any of them, be liable to another Party, whether in tort, contract, or other basis in law or equity for any special, indirect, punitive, exemplary, or consequential damages, including lost profits, lost revenues, replacement power, cost of capital, or replacement equipment. This limitation on damages shall not affect any Party's rights to obtain equitable relief, including specific performance, as otherwise provided in this Agreement. The provisions of this Article 6.2 shall survive the termination or expiration of the Agreement. Indemnity
- 6.2.2 This provision protects each Party from liability incurred as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Article 6.2.
- 6.2.3 The interconnection customer shall indemnify and defend the utility and the utility's directors, officers, employees, and agents, from all claims, damages, and expenses, including reasonable attorney's fees, to the extent resulting from the interconnection customer's negligent installation, operation, modification, maintenance, or removal of its distributed generation facility or interconnection facilities, or the interconnection customer's willful misconduct or breach of this Agreement.
- 6.2.4 Within five business days after receipt by an indemnified Party of any claim or notice that an action or administrative or legal proceeding or investigation as to which the indemnity provided for in this Article may apply has commenced,

the indemnified Party shall notify the indemnifying Party of such fact. The failure to notify, or a delay in notification, shall not affect a Party's indemnification obligation unless that failure or delay is materially prejudicial to the indemnifying Party.

6.2.5 If an indemnified Party is entitled to indemnification under this Article as a result of a claim, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this Article, to assume the defense of such claim, that indemnified Party may, at the expense of the indemnifying Party, contest, settle, or consent to the entry of any judgment with respect to, or pay in full, the claim.

6.2.6 If an indemnifying Party is obligated to indemnify and hold any indemnified Party harmless under this Article, the amount owing to the indemnified person shall be the amount of the indemnified Party's actual loss, net of any insurance or other recovery by the indemnified Party.

6.3 No Partnership or joint venture:

6.3.1 This agreement shall not create a partnership or joint venture or other legal relationship between the parties. The contract is for interconnection of distributed generation with the utility's system only.

6.4 Force Majeure

6.4.1 As used in this Article, a force majeure event shall mean any act of God, labor disturbance, act of the public enemy, war, acts of terrorism, insurrection, riot, fire, storm or flood, explosion, breakage, or accident to machinery or equipment through no direct, indirect, or contributory act of a Party, any order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities (e.g., Midcontinent Independent System Operator (MISO) or Southwest Power Pool (SPP)), or any other cause beyond a Party's control. A force majeure event does not include an act of gross negligence or intentional wrongdoing by the Party claiming force majeure. If a force majeure event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the force majeure event ("Affected Party") shall notify the other Party of the existence of the force majeure event as soon as reasonably possible. The notification will specify the circumstances of the force majeure event, its expected duration (if known), and the steps that the Affected Party is taking and will take to mitigate the effects of the event on its performance (if known). If the initial notification is verbal, it must be followed up with a written notification promptly thereafter. The Affected Party shall keep the other Party informed on a periodic basis of developments relating to the force majeure event until the event ends. The Affected Party may suspend or modify its obligations under this Agreement without liability only to the extent that the effect of the force majeure event cannot be otherwise mitigated.

6.5 Default

6.5.1 No default shall exist when the failure to discharge an obligation result from a force majeure event as defined in this Agreement, or the result of an act or omission of the other Party.

6.5.2 A Party shall be in default ("Default") of this Agreement if it fails in any material respect to comply with, observe, or perform, or defaults in the performance of, any covenant or obligation under this Agreement and fails to cure the failure within 60 calendar days after receiving written notice from the other Party. Upon a default of this Agreement, the non-defaulting Party shall give written notice of the default to the defaulting Party. Except as provided in Article 6.5.3, the defaulting Party has 60 calendar days after receipt of the default notice to cure the default; provided, however, if the default cannot be cured within 60 calendar days, the defaulting Party shall commence the cure within 20 calendar days after original notice and complete the cure within six months from receipt of the default notice; and, if cured within that time, the default specified in the notice shall cease to exist.

6.5.3 If a Party has assigned this Agreement in a manner that is not specifically authorized by Article 6.1, fails to provide reasonable access pursuant to Article 2.3, and is in default of its obligations pursuant to Article 7, or if a Party is in default of its payment obligations pursuant to Article 5 of this Agreement, the defaulting Party has 30 days from receipt of the default notice to cure the default.

6.5.4 If a default is not cured as provided for in this Article, or if a default is not capable of being cured within the period provided for in this Article, the non-defaulting Party shall have the right to terminate this Agreement without liability by written notice, and be relieved of any further obligation under this Agreement and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due under this Agreement, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Article shall survive termination of this Agreement.

Article 7. Insurance

7.1 For distributed generation facilities, the interconnection customer shall carry sufficient insurance coverage so that the maximum comprehensive/general liability coverage that is continuously maintained by the interconnection customer during

the term shall be not less than \$1,000,000 for each occurrence, and an aggregate, if any, of at least \$4,000,000. The utility, its officers, employees, and agents shall be added as an additional insured on this policy. The interconnection customer agrees to provide the utility with at least 30 calendar days' advance written notice of cancellation, reduction in limits, or non-renewal of any insurance policy required by this Article. Failure to maintain adequate insurance coverage is considered default and this Agreement to be void. The interconnection customer shall provide written verification that the utility, its officers, employees and agents have been added as additional insureds.

Article 8. Dispute Resolution

- 8.1 Parties shall attempt to resolve all disputes regarding interconnection as provided in this Article in a good faith manner.
- 8.2 If there is a dispute between the Parties about an interpretation of the Agreement, the aggrieved Party shall issue a written notice to the other Party to the agreement that specifies the dispute and the Agreement articles that are disputed.
- 8.3 A meeting between the Parties shall be held within ten business days after receipt of the written notice. Persons with decision-making authority from each Party shall attend the meeting. If the dispute involves technical issues, persons with sufficient technical expertise and familiarity with the issue in dispute from each Party shall also attend the meeting. If the Parties agree, the meeting may be conducted by teleconference.
- 8.4 Pursuit of dispute resolution may not affect an interconnection request or an interconnection applicant's position in the utility's interconnection review order.

Article 9. Miscellaneous

- 9.1 Governing Law, Regulatory Authority, and Rules
 - 9.1.1 The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the State of Montana, without regard to its conflicts of law principles. This Agreement is subject to all applicable laws and regulations. Each Party expressly reserves the right to seek change in, appeal, or otherwise contest any laws, orders, or regulations of a governmental authority. The language in all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against the utility or interconnection customer, regardless of the involvement of either Party in drafting this Agreement.
- 9.2 Amendment
 - 9.2.1 Modification of this Agreement shall be only by a written instrument duly executed by both Parties.
- 9.3 No Third-Party Beneficiaries
 - 9.3.1 This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations in this Agreement assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 9.4 Waiver
 - 9.4.1 Except as otherwise provided in this Agreement, a Party's compliance with any obligation, covenant, agreement, or condition in this Agreement may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting the waiver, but the waiver or failure to insist upon strict compliance with the obligation, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.
 - 9.4.2 Failure of any Party to enforce or insist upon compliance with any of the terms or conditions of this Agreement, or to give notice or declare this Agreement or the rights under this Agreement terminated, shall not constitute a waiver or relinquishment of any rights set out in this Agreement, but the same shall be and remain at all times in full force and effect, unless and only to the extent expressly set forth in a written document signed by that Party granting the waiver or relinquishing any such rights. Any waiver granted, or relinquishment of any right, by a Party shall not operate as a relinquishment of any other rights or a waiver of any other failure of the Party granted the waiver to comply with any obligation, covenant, agreement, or condition of this Agreement.
- 9.5 Entire Agreement

Except as provided in Article 9.1, this Agreement, including all attachments and the completed Certificate of Completion, constitutes the entire Agreement between the Parties with reference to the subject matter of this Agreement, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject

matter of this Agreement. There are no other agreements, representations, warranties, or covenants that constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

9.6 Multiple Counterparts

This Agreement may be executed in two or more counter parts, each of which is deemed an original, but all constitute one and the same instrument. Counter parties must be clearly identified at signature of agreement.

9.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties, or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

9.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other governmental authority, (1) that portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by the ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

9.9 Environmental Releases

Each Party shall notify the other Party of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the distributed generation facility or the interconnection facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided that Party makes a good faith effort to provide the notice no later than 24 hours after that Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

9.10 Subcontractors

Nothing in this Agreement shall prevent a Party from using the services of any subcontractor it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing services and each Party shall remain primarily liable to the other Party for the performance of the subcontractor.

9.10.1 A subcontract relationship does not relieve any Party of any of its obligations under this Agreement. The hiring Party remains responsible to the other Party for the acts or omissions of its subcontractor. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of the hiring Party.

9.10.2 The obligations under this Article cannot be limited in any way by any limitation of subcontractor's insurance.

Article 10. Notices

10.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first-class mail, postage prepaid, to the person specified below:

If Notice is to Interconnection Customer			
Interconnection Customer Name		Attention	
Mailing Address		City	State Zip
Phone No. (Daytime)	Phone No. (Evening)	Facsimile No.	Email Address
If Notice is to the Utility			
Utility Company Name Sheridan Electric Cooperative		Attention System Planning and Reliability Manager	
Mailing Address PO Box 227		City Medicine Lake	State Zip MT 59247
Phone No. (406) 789-2231	Facsimile No.		Email Address info@sheridanelectric.coop

Alternative Forms of Notice:

Any notice or request required or permitted to be given by either Party to the other Party and not required by this Agreement to be in writing may be given by telephone, facsimile or E-mail to the telephone numbers and E-mail addresses set out above.

10.2 Billing and Payment

Billings and payments shall be sent to the contacts specified for notices in Article 10.1 above, unless a different address is set out below:

If Billing or Payment is to Interconnection Customer			
Interconnection Customer Name	Attention		
Mailing Address	City	State	Zip
If Billing or Payment is to the Utility			
Utility Company Name Sheridan Electric Cooperative	Attention Billing Supervisor		
Mailing Address PO Box 227	City Medicine Lake	State MT	Zip 59247

10.3 Designated Operating Representative

The Parties will designate operating representatives to conduct the communications that may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities. If no such operating representative is designated below, such notices will be sent to the contacts listed in Article 10.1 above.

Interconnection Customer's Operating Representative			
Customer's Representative's Name	Attention		
Mailing Address	City	State	Zip
Utility's Operating Representative			
Utility Representative's Name Sheridan Electric Cooperative	Attention System Planning and Reliability Manager (Kory Opp, or Engineering)		
Mailing Address PO Box 227	City Medicine Lake	State MT	Zip 59247

10.4 Changes to the Notice Information

Either Party may change this notice information by giving five business days' written notice before the effective date of the change.

Article 11. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Interconnection Customer	
Interconnection Customer Signature	Date
Printed Name	Title
For the Utility	
Utility Representative's Signature	Date
Printed Name	Title

ATTACHMENT 1

Distributed Generation Interconnection Agreement

Definitions

Adverse system impact - A negative effect that compromises the safety or reliability of the electric distribution system or materially affects the quality of electric service provided by the utility to other customers.

Applicable laws and regulations - All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any governmental authority, having jurisdiction over the Parties.

Commissioning test - Tests applied to a distributed generation facility by the applicant after construction is completed to verify that the facility does not create adverse system impacts. At a minimum, the scope of the commissioning tests performed shall include the commissioning test specified IEEE Standard 1547 Section 11 "Test and Verification Requirements."

Distribution upgrades - A required addition or modification to the utility's electric distribution system at or beyond the point of interconnection to accommodate the interconnection of a distributed generation facility. Distribution upgrades do not include interconnection facilities.

Electric distribution system - The facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries from interchanges with higher voltage transmission networks that transport bulk power over longer distances. The voltage levels at which electric distribution systems operate differ among areas but generally carry less than 100 kilovolts of electricity. Electric distribution system has the same meaning as the term Area EPS, as defined in 3.1 of IEEE standard 1547.

Facilities study - An engineering study conducted by the utility to determine the required modifications to the utility's electric distribution system, including the cost and the time required to build and install the modifications, as necessary to accommodate an interconnection request.

Force majeure event - Any act of God, labor disturbance, act of the public enemy, war, acts of terrorism, insurrection, riot, fire, storm or flood, explosion, breakage, or accident to machinery or equipment through no direct, indirect, or contributory act of a Party, any order, regulation, or restriction imposed by governmental, military, or lawfully established civilian authorities (e.g., MISO or SPP), or any other cause beyond a Party's control. A force majeure event does not include an act of gross negligence or intentional wrongdoing by the Party claiming force majeure.

Governmental authority - Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, other governmental subdivision, legislature, rule-making board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that this term does not include the interconnection customer, utility, or any affiliate of either.

IEEE Standard 1547 - The Institute of Electrical and Electronics Engineers, Inc. (IEEE), 3 Park Avenue, New York, NY 10016-5997, Standard 1547 (2018), "Standard for Interconnection and Interoperability of Distributed Energy Resources with Associated Electric Power System Interfaces."

IEEE Standard 1547.1 - The IEEE Standard 1547.1 (2005), "Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems."

Interconnection agreement or Agreement - The agreement between the interconnection customer and the utility. The interconnection agreement governs the connection of the distributed generation facility to the utility's electric distribution system and the ongoing operation of the distributed generation facility after it is connected to the utility's electric distribution system.

Interconnection customer - The entity entering into this Agreement for the purpose of interconnecting a distributed generation facility to the utility's electric distribution system.

Interconnection equipment - A group of components or an integrated system connecting an electric generator with a local electric power system or an electric distribution system that includes all interface equipment, including switchgear, protective devices, inverters, or other interface devices. Interconnection equipment may be installed as part of an integrated equipment package that includes a generator or other electric source.

Interconnection facilities - Facilities and equipment required by the utility to accommodate the interconnection of a distributed generation facility. Collectively, interconnection facilities include all facilities and equipment between the distributed generation facility and the point of interconnection, including modification, additions, or upgrades that are necessary to physically and electrically interconnect the distributed generation facility to the electric distribution system. Interconnection facilities are sole use facilities and do not include distribution upgrades.

Interconnection request - An interconnection customer's request, on the required form, for the interconnection of a new distributed generation facility, or to increase the capacity or change the operating characteristics of an existing distributed generation facility that is interconnected with the utility's electric distribution system.

Interconnection study - Any of the following studies, as determined to be appropriate by the utility: the interconnection feasibility study, the interconnection system impact study, and the interconnection facilities study.

Parallel operation or Parallel - The state of operation that occurs when a distributed generation facility is connected electrically to the electric distribution system for longer than 100 milliseconds.

Point of interconnection - The point where the distributed generation facility is electrically connected to the electric distribution system. Point of interconnection has the same meaning as the term "point of common coupling" defined in 3.1 of IEEE Standard 1547.

Qualifying facility - A cogeneration facility or a small power production facility that is a qualifying facility under 18 CFR Part 292, Subpart B, used by an interconnection customer to generate electricity that operates in parallel with the electric distribution system. A qualifying facility typically includes an electric generator and the interconnection equipment required to interconnect safely with the electric distribution system or local electric power system.

Utility - Electric serving entity that generation facilities will interconnect with..

Witness test - For lab-certified equipment, verification (either by an on-site observation or review of documents) by the utility that the interconnection installation evaluation required by IEEE Standard 1547 Section 11.2.4 and the commissioning test required by IEEE Standard 1547 Section 11.2.5 have been adequately performed. For interconnection equipment that has not been lab certified, the witness test shall also include verification by the utility of the on-site design tests required by IEEE Standard 1547 Section 11 and verification by the utility of production tests required by IEEE Standard 1547 Section 11.2.3. All tests verified by the utility are to be performed in accordance with the test procedures specified by IEEE Standard 1547.1.

ATTACHMENT 2
Distributed Generation Interconnection Agreement

Construction Schedule, Proposed Equipment & Settings

This attachment is to be completed by the interconnection customer and shall include the following:

1. The construction schedule for the distributed generation facility.
2. A one-line diagram indicating the distributed generation facility, interconnection equipment, interconnection facilities, metering equipment, and distribution upgrades.
3. Component specifications for equipment identified in the one-line diagram.
4. Component settings. The utility may require the interconnection customer to set the inverter consistent with guidelines of the Regional Transmission Organization.
5. Proposed sequence of operations.
6. A three-line diagram showing current potential circuits for protective relays.
7. Relay tripping and control schematic diagram.
8. A plot plan showing the distributed generation facility's location in relation to streets, alleys, address, or other geographical markers.

When the interconnection customer returns the Certificate of Completion to the utility, the interconnection customer shall provide the utility with these documents detailing the as-built status.

ATTACHMENT 3
Distributed Generation Interconnection Agreement

Description, Costs, and Time Required to Build and Install the Utility's Interconnection Facilities

This attachment is to be completed by the utility and shall include the following:

1. Required interconnection facilities, including any required metering.

2. An estimate of itemized costs charged by the utility for interconnection, including overheads, based on results from prior studies.

3. An estimate for the time required to build and install the utility's interconnection facilities based on results from prior studies and an estimate of the date upon which the facilities will be completed.

ATTACHMENT 4

Distributed Generation Interconnection Agreement

Operating Requirements for Distributed Generation Facilities Operating in Parallel

The utility shall list specific operating practices that apply to this distributed generation interconnection and the conditions under which each listed specific operating practice applies. The utility may require the interconnection customer to set the inverter consistent with guidelines of the Regional Transmission Organization.

ATTACHMENT 5
Distributed Generation Interconnection Agreement

Monitoring and Control Requirements

This attachment is to be completed by the utility and shall include the following:

1. The utility's monitoring and control requirements must be specified, along with a reference to the utility's written requirements documents from which these requirements are derived.

2. An Internet link to the requirements documents.

