

ATTACHMENT B

AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION

This Agreement for Interconnection and Parallel Operation of Distributed Generation (hereinafter "Agreement") is made between **MENARD ELECTRIC COOPERATIVE**, (hereinafter referred to as "Cooperative"), a not-for-profit corporation organized under the laws of the State of Illinois, and _____, _____, _____, IL _____, (hereinafter referred to as "Member"), a member/owner of the Cooperative presently or hereafter receiving electric service from Cooperative, 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, and other good and valuable consideration, the sufficiency and receipt thereof is hereby acknowledged, the Parties agree as follows:

1. Scope of Agreement – This Agreement addresses the conditions under which the Cooperative and Member agree that one or more generating facilities (herein referred to as "distributed generation" and more particularly described in Exhibit A) owned and/or operated by Member with a nameplate capacity of 100 kilowatts or less, (collectively hereinafter sometimes referred to as the "Facility" or "Facilities"), can be interconnected to the Member's low-voltage premises wiring and the Cooperative's electric power distribution system (hereinafter sometimes referred to as the "System"). Such nameplate capacity shall be determined by the maximum electric energy production capability of the distributed generation as installed and as stated on the generator device placard(s) or manufacturer's specifications, prior to any power inverter device(s). This Agreement shall not entitle the Member to electric service beyond the terms of a separate membership agreement for service and to the Cooperative's rules, policies, regulations, Bylaws and rates (hereinafter collectively "Requirements").

2. Establishment of Point of Interconnection – Cooperative and Member agree to interconnect the Facilities at the location(s) specified in Exhibit A "Point of Interconnection" in accordance with the terms of the Cooperative's policy on Interconnection and Parallel Operation of Distributed Generation.

3. Responsibilities of Cooperative and Member for Ownership, Installation, Operation and Maintenance of Facilities – Member will, at Member's cost and expense, own, install, operate, maintain, repair, and inspect, and shall be fully responsible for, the Facilities and interconnection facilities, unless otherwise specified on Exhibit A. Member shall conduct operations of its Facilities and interconnection facilities in compliance with all

aspects of the Cooperative's Requirements and in accordance with industry standards and Good Utility Practice. The Facility shall also be subject to the Cooperative's Requirements for maintaining voltage standards of output, limitation of harmonic currents and the production of reactive power.

As used herein, the term "Good Utility Practice" shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Maintenance of Facilities and interconnection facilities shall be performed in accordance with the applicable manufacturer's recommended maintenance schedule. Member agrees to cause its Facilities and interconnection facilities to be constructed in accordance with Menard Electric Cooperative's Policy on Interconnection and Parallel Operation of Distributed Generation. The Cooperative shall have the right to inspect and require changes prior to energizing. Phasing, frequency and voltage of the Member's interconnected distributed generation shall be compatible with that provided by the Cooperative.

Member shall comply with all applicable Federal, State and local laws, regulations, zoning codes, building codes, safety rules and environmental restrictions applicable to the design, installation, operation and maintenance of its Facilities and interconnection facilities.

The Cooperative will notify Member if there is evidence that the Facilities' or interconnection facilities' operation causes disturbance, disruption or deterioration of service to other members served from the System or if the Facilities' or interconnection facilities' operation causes harm or damage to the System. Member shall be provided a reasonable cure period, however if this condition persists, the Cooperative shall have the right to disconnect Member's Facilities from the System. Member, at its earliest convenience, will notify the Cooperative of any emergency or hazardous condition or occurrence with Member's Facilities or interconnection facilities which could affect safe operation of the System.

4. Operator in Charge – Member shall provide a phone number and address of an individual contact person with knowledge of this Agreement, familiarity with the installation, maintenance and operation of the Facility and interconnection facilities, and with the authority to disconnect the Facility from the System in the event the Cooperative requires doing so.

5. No Power Sales to Cooperative - Interconnection of the Facilities with the System does not grant Member the right to export power nor does it constitute an agreement by the Cooperative to purchase or wheel power. The purchase or banking of excess energy and capacity from the Facility is governed by respective Menard Electric Cooperative Policies. The Cooperative will make available to Member, upon request, a copy of the Policy relevant to Member's Facility.

6. Limitation of Liability and Indemnification

a. Notwithstanding any other provision in this Agreement, with respect to the Cooperative's provision of electric service to Member and the services provided by the Cooperative pursuant to this Agreement, Cooperative's liability to Member shall be limited as set forth in the Cooperative's rules, Bylaws, policies, contracts, and terms and conditions for electric service, which are incorporated herein by reference, and in no event shall the Cooperative be liable for loss of profit, loss of operation time, or loss of or reduction in use of any facilities or any portion thereof, increased expense of construction, operation or maintenance, or for any special, indirect, incidental, or consequential damages resulting from the construction, operation or maintenance of the Facilities.

b. For the purposes of this Agreement, a "Force Majeure" event is any event beyond the reasonable control of the affected Party that the affected Party is unable to prevent or provide against by exercising reasonable diligence. This includes but is not limited to public disorder, rebellion or insurrection, floods, hurricanes, earthquakes, lightning, storms or other natural calamities, explosions or fires, strikes, work stoppages or labor disputes, embargoes, and sabotage. If a Force Majeure event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing and will keep the other Party informed on a continuing basis as to the scope and duration of the Force Majeure event. The affected Party will specify the circumstances of the Force Majeure event, its expected duration and the steps that the affected Party is taking to mitigate the effect of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement but will use reasonable efforts to resume its performance as soon as possible.

c. Member shall be responsible for the safe installation, maintenance, repair and condition of lines, wires, switches, or other equipment or property owned by Member on either side of the Point of Interconnection. The Cooperative does not assume any duty of inspecting Member's lines, wires, switches, or other equipment or property and will not be responsible therefore. Cooperative assumes all responsibility for the electric service supplied to the Point of Interconnection and the Cooperative's facilities used in connection therewith.

7. Testing and Testing Records – Member shall perform or cause to be performed such tests as the Cooperative may reasonably require and shall provide to the Cooperative all records of testing. Testing of protection systems shall comply with existing industry standards and practices. These records shall include testing at the start of operation and periodic testing thereafter. Factory testing of pre-packaged interconnection facilities and the protective systems of small units shall be acceptable in the absence of reasonable grounds for additional testing. In the case of a factory test, Member shall provide a written description and certification by the factory of the test, the test results, and the qualification of any independent testing laboratory. In addition, Member shall obtain approval by the Cooperative of the settings of the equipment being installed prior to operation of the Facility.

8. Right of Access, Equipment Installation, Removal & Inspection – The Cooperative shall have free access to the Facilities and Member's interconnection equipment at all times to monitor operation of the equipment, Cooperative-supplied service equipment connected to such system, or to disconnect for good cause, without prior notice to the Member.

The Cooperative shall also have the right to schedule access to Member's premises and to inspect operational records for any reasonable purpose in connection with the interconnection described in this Agreement, to ensure compliance with the Requirements, or to provide service to its members.

9. Disconnection of Facilities

a. Member retains the option to disconnect its Facilities from the System, provided that Member notifies the Cooperative of the Member's intent to disconnect by giving the Cooperative at least thirty (30) calendar days' prior written notice. Such disconnection shall not be a termination of this Agreement unless Member exercises rights under Section 12.

b. Member shall disconnect Facilities from the System upon the effective date of any termination resulting from and required by actions under Section 12.

c. The Cooperative may disconnect the Facilities from its System whenever, in the sole opinion of the Cooperative, such action is required by an emergency, for reasons of safety, or due to interference with service to other members.

d. The Cooperative may disconnect the Facilities from its System if Member fails to notify Cooperative and obtain approval for any change to the Facilities, including but not limited to: nameplate capacity of the Facility or inverter specifications.

e. The Cooperative, in its sole discretion, may choose to place a remote disconnect feature on the Member's meter for purposes of disconnection. Such device shall be installed at no charge to the Member.

10. Metering – Except as provided in Subsection 9.e, the Cooperative shall be reimbursed for all costs of interconnection, including all carrying and metering costs, incurred by the Cooperative or its agents in connecting and as a result of connection and disconnection of the Facilities to the distribution System. Metering shall meet accuracy standards required for equivalent electrical services and can be accomplished with standard meters or any devices that meet data collection and accuracy requirements.

11. Insurance – Member agrees to defend, pay on behalf of and hold harmless the Cooperative and its officers, agents, directors and employees from all claims of whatsoever nature or kind, including those brought by agents, contractors and subcontractors of the Member. Member agrees to defend and pay all costs in defending these claims, including attorney fees.

Member further agrees to maintain throughout the term of this Agreement public liability and property damage insurance issued by a licensed insurance carrier with an A. M. Best rating of B+ or better to cover the obligations set forth herein. The policy shall provide protection against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of the Member's ownership and/or operation of the Facility under this Agreement. The Cooperative recommends minimum coverage limits of liability to be \$1,000,000 per occurrence for all Facility interconnections.

The Cooperative reserves the right to seek from Member a certificate of insurance, in full force and effect, demonstrating the distributed generation installer utilized by Member is licensed and possesses Commercial General Liability insurance coverage. To the extent Member does not utilize a licensed distributed generation installer, the Cooperative reserves the right to seek from Member a certificate of liability insurance coverage in full force and effect as of the effective date of this Agreement and on a recurring basis during its Term.

Member agrees to indemnify the Cooperative, its officers, agents, directors, and employees against all loss, damage, expense and liability to any persons, including members, for injury to or death of persons or injury to property, including but not limited to consequential damages, interest, punitive damages, Member's fees and court costs, proximately caused by the indemnifying party's construction, ownership, interconnection, operation, or maintenance of, or by failure of, any of such Member's works or facilities used in connection with the operation of the generating Facility.

12. Effective Term and Termination Rights – This Agreement becomes effective when executed by both Parties and its Term shall continue in effect until terminated in accordance with one of the following manners:

- a. Member may terminate this Agreement at any time by giving the Cooperative at least sixty (60) calendar days' advance written notice; or

b. Cooperative may terminate upon failure by Member to generate energy from the Facilities within six (6) months after completion of the interconnection; or

c. Either Party may terminate by giving the other Party at least thirty (30) calendar days' prior written notice that the other Party is in default of any of the terms and conditions of the Agreement or the Requirements or any rate schedule, regulation, contract, or policy of the Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; or

d. Cooperative may terminate by giving Member at least sixty (60) calendar days' notice in the event that there is a material change in an applicable law, or any change in policy or procedure pertaining to distributed generation by the Cooperative's wholesale electric supplier or requirement of any transmission utility, independent system operator or regional transmission organization having responsibility for the operation of any part of the System; or

e. Cooperative may terminate this Agreement upon three (3) business days' notice in the event Member does any of the following:

- i. ceases to receive electric service from Cooperative at the site of the Facilities, unless Member assigns the Agreement in accordance with Section 17;
- ii. is in default of the terms or conditions for electric service established by the Cooperative;
- iii. makes a general assignment or arrangement for the benefit of creditors;
- iv. is unable (or admits in writing its inability) generally to pay its debts as they become due;
- v. is dissolved or has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, acquisition or merger);
- vi. seeks or becomes subject to the appointment of an administrator, assignee, conservator, receiver, trustee or similar official for substantially all of its assets;
- vii. has a secured party take possession of all or substantially all of its assets or has all, or has substantially all of its assets become subject to an attachment, execution, levy, sequestration or other legal process which is not dismissed discharged, stayed or restrained within thirty (30) calendar days;
- viii. causes or is subject to any event that has an effect analogous to any of the events enumerated herein; or,
- ix. takes any action in furtherance of, or indicates its consent to, approval of, or acquiescence in any of the foregoing acts or events.

f. Upon termination of this Agreement, the Member's Facilities shall be permanently disconnected from the Cooperative's System at Member's expense.

13. Compliance with Laws, Rules and Regulations– Member shall be responsible for complying with all Federal, State and local laws. In the event the Facilities, interconnection or disposition of electricity generated are, or become, subject to Federal, State or local regulation, Member is, and shall be, responsible for regulatory compliance. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the Requirements. The Cooperative reserves the right to change the Requirements at any time.

14. Severability and Survival – If any portion or provision of this Agreement is held or adjudged for any reason to be invalid or illegal or unenforceable by any court of competent jurisdiction, such portion shall be deemed separate and independent, and the remainder of this Agreement, shall remain in full force and effect. The following sections shall survive expiration and any termination of this Agreement: Sections 3, 5, 6, 7, 8, 9, 10, 13, 14, 18, 19, 20 and 22.

15. Amendment – This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties.

16. Entirety of Agreement – This Agreement, including the Cooperative's policies (current and as further amended) and the requirements contained in the attached Exhibits and Facilities Schedules, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the Facilities at the Points of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein or in Member's application, or other written information provided by the Member in compliance with these requirements.

17. Assignment – This Agreement may be assigned to a party receiving electric service from the Cooperative at the site of the Facilities only upon the express prior written consent of the Cooperative. The assignee will be responsible for the proper operation and maintenance of the Facilities and must agree in writing to be subject to all provisions of this Agreement. The Cooperative reserves the right to request assignee execute and deliver a new agreement of similar and like tenor expressly evidencing the Requirements of the Cooperative for the Facilities at the time of assignment.

Cooperative may assign the Agreement to another entity with the written approval of Member. Required consents shall not be withheld unreasonably.

18. Notices – Notices given under this Agreement are deemed to have been duly delivered once received by United States certified mail, return receipt requested, postage prepaid, to:

Cooperative:

Menard Electric Cooperative

Attn: _____

Address: 14300 State Highway 97
P.O. Box 200
Petersburg, IL 62675

Member:

Attn: _____

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other.

19. Invoicing and Payment – Invoicing and payment terms for services associated with this Agreement shall be consistent with applicable Cooperative policies.

20. No Third-Party Beneficiaries – 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 herein assumed are solely for the use and benefit of the Parties.

21. Waiver - The failure of either Party to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights or duties of the provisions in this Agreement.

22. Governing Law and Jurisdiction – It is agreed that this Agreement shall be construed and governed in accordance with the laws of the State of Illinois and that the Circuit Court of Menard County has jurisdiction on all matters relating to the enforcement of this Agreement.

23. Notice of Dispute - In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute describing in detail the nature of the dispute. If the dispute has not been resolved within thirty (30) business days after receipt of the Notice, either Party may request assistance from the Menard Electric Cooperative Board of Directors in resolving the dispute. If the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

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

MENARD ELECTRIC COOPERATIVE

BY: _____
TITLE: General Manager
DATE: _____

MEMBER

BY: _____
TITLE: Member
DATE: _____

JOINT MEMBER, if applicable

BY: _____
TITLE: Member
DATE: _____

EXHIBIT A

DESCRIPTION OF FACILITY SCHEDULE AND POINT OF INTERCONNECTION

Facility Schedule No.

Point of Interconnection

Member will, at Member's own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for its Facilities, unless otherwise specified on Exhibit A.

FACILITIES SCHEDULE NO.

1. Name:
2. Facilities location:
3. Delivery voltage:
4. Cooperative-owned Metering (voltage, location, losses adjustment due to metering location, and other):
5. Normal Operation of Interconnection:
6. One line diagram attached (check one): / Yes / No
7. Equipment to be furnished by Cooperative:
8. Equipment to be furnished by Member:
9. Cost Responsibility:
10. Control area interchange point (check one): / Yes / XX No
11. Supplemental terms and conditions attached (check one): / Yes / No
12. Cooperative requirements for distributed generation interconnection attached (check one): / Yes / No

MENARD ELECTRIC COOPERATIVE

MEMBER

BY: _____

BY: _____

TITLE: _____

TITLE: Member _____

DATE: _____

DATE: _____