

ATTACHMENT C

Net Energy Metering Interconnection Agreement

Customer Owned Solar, Wind, Hydropower, Biogas, or Fuel Cell Electric Generating Facilities no Larger than 100 Kilowatts

This Net Energy Metering Interconnection Agreement is executed in duplicate this _____ day of _____, 20__ between _____ (hereinafter referred to as "Customer"), and Public Utility District No. 1 of Okanogan County (hereinafter referred to as "District"). Both parties, who may be herein further referred to eligible collectively as "Parties" and individually as "Party," agree as follows:

A. CUSTOMER'S ELECTRIC GENERATING FACILITY

1. Customer has elected, in accordance with RCW 80.60 et seq., to operate a net energy metering solar, wind, hydropower, biogas, or fuel cell electric generating facility with a generating capacity no larger than one hundred kilowatts, in parallel with the District's transmission and distribution facilities. The customer's electric generating facility is intended to offset either part or all of the Customer's electrical requirements.
2. District will not provide wheeling for Customer as generation from the net metering electrical generating facility will only be applied to consumption at the location of said electrical generating facility.
3. Customer's Application for Interconnecting a Generating Facility no Larger than 100kW, including the location of the electrical generating installation facility and details on the electrical generating unit(s) is hereby incorporated into this agreement as Attachment A.
4. The installation is identified by the District with the following designators:
Transformer Number (feeder and phase): _____,
Customer Utility Account Number: _____, and
Application ID Number: _____.
5. A separate agreement shall be entered into for each Customer's electrical service location(s).
6. The electrical generating system facility used by the Customer shall be located on the Customer's premises. It shall include all equipment necessary to meet applicable safety, power quality, and Interconnection requirements established by the National Electrical Code (Articles 690 and 705), National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, and the District's Interconnection Standards for Electric Generators with Generating Capacity no Larger than 100 kW.
7. The District shall have the sole authority to determine which Interconnection requirements set forth herein are applicable to Customer's proposed generating facility.

B. PAYMENT FOR NET ENERGY

1. The District shall measure the net electricity produced or consumed by the Customer during each billing period, in accordance with normal metering practices.

2. If the electricity supplied by the District exceeds the electricity generated by the Customer and fed back to the District during the billing period, or any portion thereof, then the Customer shall be billed for the net electricity supplied by the District together with the appropriate customer charge paid by other customers of the District in the same rate class.
3. If the electricity generated by the Customer and distributed back to the District during the billing period, or any portion thereof, exceeds the electricity supplied by the District, then the Customer shall be:
 - a. billed for the appropriate customer service charge as other customers of the District in the same rate class; and
 - b. credited for the net excess kilowatt-hours generated during the billing period, with this kilowatt-hour credit appearing on Customer's bill for the following billing period.
4. On March 31st, of each calendar year, any remaining unused kilowatt-hour credit accumulated by the Customer during the previous year shall be granted to the District, without any compensation to the Customer.
5. Customer shall pay any amount owing for electric service provided by the District in accordance with applicable rates and policies. Nothing in this Section B shall limit District's rights under applicable Rate Schedules, Ordinances, Customer Service Policies, and General Provisions.

C. INTERRUPTION OR REDUCTION OF DELIVERIES

1. The District may require Customer to interrupt or reduce deliveries as follows:
 - a. when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of the District's equipment or part of the District's system; or
 - b. if the District determines that curtailment, interruption, or reduction is necessary because of emergencies, force, or compliance with prudent electrical practices.
2. Whenever possible, the District shall give Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required.
3. Notwithstanding any other provision of this Agreement, if at any time the District determines that either:
 - a. the generating facility may endanger District personnel, or
 - b. the continued operation of Customer's generating facility may endanger the integrity of the District's electric system,

the District shall then have the right to disconnect Customer's generating facility from the District's electric system. Customer's generating facility shall remain disconnected until such time as the District is satisfied that the condition(s) referenced in (a) of (b) of this section C-3 have been corrected.

D. INTERCONNECTION

1. Customer shall deliver the excess energy to the District at the District's meter.
2. Customer shall be fully responsible for the costs and performance of designing, installing, owning, operating, and maintaining Customer's:
 - a. generating facility in accordance with the requirements of all applicable laws, rules,

codes, and regulations, and the directives of all governmental agencies having jurisdiction and shall comply with the District's Interconnection Standards for Electric Generators with Generating Capacity no Larger than 100 kW and District's Service and Meter Requirements.

b. control and protective devices as required by the District for the safe parallel operation of Customer's generation facility with the District's system; and

c. Interconnection facilities on Customer's premises as may be required to deliver power from Customer's generation facilities to the agreed point of Interconnection with the District's system.

3. Customer shall pay for the District's standard watt-hour meter electrical hook-up, if not already present.

4. Customer shall not commence parallel operation of the generating facility until written approval of the Interconnection facilities has been given by the District. Such approval shall not be unreasonably withheld. The District shall have the right to have representatives present at the initial testing of Customer's protective apparatus. Customer shall notify the District of its intent to test the generating system not less than two (2) working days prior to the scheduled test.

5. Once in operation, Customer shall make no changes or modifications in the equipment, wiring, or the mode of operation without prior written approval of the District.

6. Customer shall submit equipment specifications and detailed plans to the District for the installation of its Interconnection facilities, control and protective devices, and facilities to accommodate the District's meters for review and advance written approval prior to their actual installation.

E. MAINTENANCE AND PERMITS

Customer shall:

1. maintain the electric generating facility and interconnection facilities in a safe and prudent manner and in conformance with all applicable laws and regulations including, but not limited to, the District's Interconnection Standards for Electric Generators With Generation Capacity no Larger than 100 kilowatts, and

2. be solely responsible for securing any and all easements, licenses, governmental authorizations and permits, or exemptions therefrom, as may be required by any federal, state, or local statutes, ordinances or regulations for the construction and operation of the electric generating and Interconnection facilities, including building and electrical permit(s) and hereby represents and warrants that all such necessary easements, licenses and permits, or exemptions, have been received, and hereby agrees to and shall indemnify and defend the District, its officers, agents, and employees, from and against any and all losses or claims resulting from or arising out of Seller's performance or failure to perform under this provision, and.

3. reimburse the District for any and all losses, damages, claims, penalties, or liability it incurs as a result of Customer's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of Customer's generating facility or failure to maintain Customer's generating facility as required in (1) of this Section E.

If the District or a regulatory agency at any time determines the facilities are being operated in an illegal, unsafe, or unreliable condition, it shall have the unilateral right to interrupt and discontinue its receipt of energy and generation without any liability or obligation. Further, if any regulatory entity or entity charged with ensuring reliability of electric systems or charged with permitting the Customer's facility requests or directs disconnection of Customer's facilities, the District may disconnect such facilities without liability to the District.

F. DAMAGE OR INTERFERENCE WITH DISTRICT'S FACILITIES

If Customer's generating facilities cause damage to the District's electric system and/or facilities, Customer shall be responsible for all costs associated with the repair and/or replacement of such facilities or equipment. If Customer's facilities in any way cause a loss or damage to the District's other customer, retail or wholesale, Customer shall be responsible for such damages, claims, and losses.

If Customer's generating facilities causes damage to or interferes with District or its other customer, retail or wholesale, the District will disconnect the Customer from the District's system until the cause of the damage or interference is remedied.

G. ACCESS TO PREMISES

The District shall have the right to enter Customer's premises or property

1. to inspect, with prior notice, at all reasonable hours
 - a. Customer's generating facility's protective devices; and
 - b. for reading and testing of meter(s); and
2. disconnect at the District's meter or transformer, without notice, the generating facilities if, in the District's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or the District's facilities, or property of others from damage or interference caused by Customer's electric generating facilities, or lack of properly operating protective devices or inability to inspect the same.

The District's approvals described in this Agreement shall not be construed as any warranty of safety, durability, or reliability of Customer's generation service facilities or its control or protective devices. The Customer remains solely responsible for the safe and adequate operation of its facilities.

H. INDEMNITY AND LIABILITY

1. The Customer assumes the risk of all damages, loss, cost, and expense and agrees to indemnify the District, its successors and assigns, and its respective directors, officers, employees and agents, from and against any and all claims, losses, costs, liabilities, damages and expenses including, but not limited to, reasonable attorney fees, resulting from or in connection with performance of the agreement or which may occur or be sustained by District on account of any claim or action brought against the District for any reason including, but not limited to, loss to the electrical system of the Customer caused by or arising out of an electrical disturbance.
2. Such indemnity, protection, and hold harmless includes any demand, claim, suit or judgment for damages, death or bodily injury to all persons, including officers, employees or agents, and subcontractors of either Party hereto including payment made under or in Interconnection with any Worker's Compensation Law or under any plan for employees'

disability and death benefits or property loss which may be caused or contributed to by the Interconnection, maintenance, operation, use, presence, or removal of Customer's equipment. The only exception will be liability occasioned by the sole negligence or willful misconduct of the District or its employees acting within the scope of their employment and liability occasioned by a partial negligence of the District or its employees acting within the scope of their employment to the extent that such partial liability is fixed by a court of competent jurisdiction.

3. The provisions of the Section H shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any insurance policy.

4. The District shall have no liability, ownership interest, control, or responsibility for the Customer's electric generating facility or its Interconnection with the District's electric system, regardless of what the District knows or should know about the Customer's electric generating Facility or its Interconnection.

5. Customer recognizes that it is waiving immunity under Washington Industrial Insurance law, Title 51 RCW, and further agrees that this indemnification clause has been mutually negotiated. This indemnification shall extend to and include attorney's fees and the costs of establishing the right of indemnification hereunder in favor of the District.

I. FORCE MAJEURE

1. **Suspension of Obligations.** Neither Party shall be liable to the other for, or be considered to be in breach of or default under this Agreement because of, any failure or delay in performance by such Party under this Agreement to the extent such failure or delay is caused by or results from any such cause or condition which is beyond such Party's reasonable control, or which such Party is unable to prevent or overcome by exercise of reasonable diligence (any such cause or condition, a "Force Majeure"), including breach of contract or failure of performance by any person providing services to the Parties which the Parties intended to use in their performance under this Agreement.

2. **Notice; Required Efforts to Resume Performance.** Any Party claiming Force Majeure shall give the other Party maximum practicable advance notice of any failure or delay resulting from a Force Majeure, and shall use its reasonable best efforts to overcome the Force Majeure and to resume performance as soon as possible; provided however, that nothing in this Agreement shall be construed to require either Party to settle any labor dispute in which it may be involved.

3. **No Excuse of Payment Obligations.** Notwithstanding any other provision of this Agreement, in no event shall a Force Majeure excuse a Party's failure or delay to pay any amounts due and owing to the other Party under or pursuant to this Agreement.

J. INDEPENDENT CONTRACTORS

The Parties hereto are independent contractors and shall not be deemed to be partners, joint ventures, employees, franchisees or franchisers, servants or agents of each other for any purpose whatsoever under or in connection with this Agreement.

K. GOVERNING LAW

This Agreement shall be interpreted, governed, and constructed under the laws of the State of Washington as if executed and to be performed wholly within the State of Washington. Venue of any action arising hereunder or related to this agreement shall lie in Okanogan County, Washington.

L. FUTURE MODIFICATION OR EXPANSION

Any future modification or expansion of the Customer owned generating facility will require an engineering review and approval by the District. The District reserves the right to require the Customer, at Customer's expense, to provide modifications or additions to existing electrical devices including, but not limited to protection device and meters, in the event of changes to government or industry regulation and/or standards.

M. AMENDMENTS, MODIFICATIONS OR WAIVER

Any amendments or modifications to this Agreement shall be in writing and agreed to by both Parties. The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any Party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, shall be deemed to be construed as a further or continuing waiver of any such breach or waiver of the breach of any other term or covenant unless such waiver is in writing.

N. ASSIGNMENT

The Customer shall not assign its rights under this Agreement without the express written consent of the District. The District may impose reasonable conditions on any such assignment to ensure that all of Customer's obligations under this Agreement are met and that none of Customer's obligations under this Agreement are transferred to the District as a result of default, bankruptcy, or any other cause.

O. NO THIRD PARTY BENEFICIARIES

Except as expressly set forth in this Agreement, none of the provisions of this Agreement shall inure to the benefit of or be enforceable by any third Party.

P. ENTIRE AGREEMENT

This Agreement and the Exhibits attached hereto set forth the entire agreement of the Parties and supersede any and all prior agreements with respect to the subject matter of this Agreement. The rights and obligations of the Parties hereunder shall be subject to and governed by this Agreement.

Q. RULES OF CONSTRUCTION; STATUTORY REFERENCES

No provision of this Agreement shall be construed in favor of or against either of the Parties hereto by reason of the extent to which any such Party or its counsel participated in the drafting thereof or by reason of the extent to which such provision or any other provision or provisions of this Agreement is or are inconsistent with any prior draft thereof. Any reference to statutes or laws will include all amendments, modifications, or replacements of the specific sections and provisions concerned.

R. NOTICES AND OTHER COMMUNICATIONS

Notice Methods and Addresses. All notices, requests, demands and other communications required or permitted to be given under this Agreement shall be given in writing

1. by personal delivery,
2. by recognized overnight air courier service,
3. by United States postal service, postage prepaid, registered or certified mail, return receipt requested, or
4. by facsimile transmission, using facsimile equipment providing written confirmation of successfully completed transmission to the receiving facsimile number.

All notices to either Party shall be made to the addresses set forth below. Any notice shall be deemed to have been given on the date delivered, if delivered personally, by overnight air courier service or by facsimile transmission; or, if mailed, shall be deemed to have been given on the date shown on the return receipt as the date of delivery or the date on which the United States postal service certified that it was unable to deliver, whichever is applicable.

Customer Name	Name of Utility
Address	Address
City, State, Zip	City, State, Zip

Customer notices to District, pursuant to this Section R, shall refer to the Service Address set forth in Attachment A, Application for Net Metered Electrical Generation.

S. APPENDICES

The Agreement includes the following appendices attached and incorporated by reference:

- Attachment A: Application for Interconnecting a Generating Facility no Larger than 100 kilowatts
- Attachment B: Generating Facility Certificate of Completion

T. TERM OF AGREEMENT

This Agreement shall be in effect when signed by the Customer and District and shall remain in effect thereafter month to month unless terminated by either Party on thirty (30) days' prior written notice in accordance with Section R.

U. SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives.

This Agreement is effective as of the last date set forth below.

_____	_____
Customer	Name of Utility
_____	_____
Signature	Signature
_____	_____
Print Name	Print Name
_____	_____
Title	Title
_____	_____
Date	Date