

**AGREEMENT FOR INTERCONNECTION AND PARALLEL
OPERATION OF DISTRIBUTED GENERATION**

DATE OF AGREEMENT: _____

_____ hereinafter “Cooperative”

_____ hereinafter “Member/Owner”

This Agreement for Interconnection and Parallel Operation of Distributed Generation (hereinafter “Agreement”) is made and entered into the date indicated above between **EASTERN ILLINI ELECTRIC COOPERATIVE, INC.**, (hereinafter referred to as “Cooperative”), an Illinois not-for-profit corporation, and _____, (hereinafter referred to as “Member/Owner”), a Member/Owner of the Cooperative currently receiving electric service from Cooperative, each of which may hereinafter be 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 of which is hereby acknowledged, the Parties agree as follows:

- 1. Scope of Agreement** – This Agreement addresses the conditions under which the Cooperative and Member/Owner agree that one or more generating facilities (herein “distributed generation” and more particularly described in Exhibit A) owned and/or operated by Member/Owner with a nameplate capacity of 10 MW or less, can be interconnected at 12.5/7.2 kV or less (collectively hereinafter sometimes referred to as the “Facilities” to the Cooperative’s electric power distribution system (hereinafter sometimes referred to as the “System”). This Agreement shall not entitle the Member/Owner to electric service beyond the terms of a separate membership agreement for service and the Cooperative’s bylaws, rules, policies, regulations, and rates (hereinafter collectively “Requirements”).
- 2. Establishment of Point of Interconnection** –Cooperative and Member/Owner shall interconnect the Facilities at the location(s) specified herein, “Point of Interconnection” in accordance with the terms of the Cooperative’s policy on Interconnection and Parallel Operation of Distributed Generation and the Institute of Electrical and Electronic Engineers (IEEE) Standards 1547, 1547.1 and UL Standard 1741.

3. Responsibilities of Cooperative and Member/Owner for Installation, Operation and Maintenance of Facilities – Member/Owner shall, at Member/Owner’s cost and expense, install, operate, maintain, repair, and inspect, and shall be fully responsible for its facilities and interconnection facilities, unless otherwise specified herein. Member/Owner 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. As used herein, 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 expediency. 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 geographical region in which the Cooperative does business. Maintenance of facilities and interconnection facilities shall be performed in accordance with the applicable manufacturers’ recommended maintenance schedule. Member/Owner shall cause the facilities and interconnection facilities to be constructed in accordance with Regulation 27 Interconnection and Parallel Operation of Distributed Generation. The Cooperative shall have the right to inspect and require changes prior to energizing such facilities. Phase, frequency and voltage of the Member/Owner’s interconnected generation shall be compatible with that provided by the Cooperative.

Member/Owner 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/Owner if there is evidence that operation of the facilities or interconnection facilities causes disturbance, disruption or deterioration of service to other Member/Owners served from the System or if the operation of facilities or interconnection facilities causes damage to the System. If such condition persists, the Cooperative shall have the sole right and option to disconnect Member/Owner from the System. Member/Owner will notify the Cooperative of any emergency or hazardous condition or occurrence involving the Member/Owner’s facilities or interconnection facilities, which could affect safe operation of the System.

4. Operator in Charge – Member/Owner shall provide a phone number and address of a contact person who is knowledgeable about this Agreement, familiar with the installation, maintenance and operation of the interconnection facilities and having the authority to disconnect the facility from the system in the event the Cooperative so requires.

5. No Power Sales to Cooperative - Interconnection of the Facilities with the System does not grant Member/Owner the right to export power, nor does it constitute an agreement by the Cooperative to purchase or wheel power. Purchase of excess facility capacity is governed by the Cooperative’s Regulation No. 26 Net Metering and Cooperative Purchase of Excess Member/Owner Owned Generation Capacity.

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/Owner and the services provided by the Cooperative pursuant to this Agreement, Cooperative's liability to Member/Owner shall be limited as set forth in the Cooperative's bylaws, rules, policies, regulations, rates, 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, 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, consequential damages resulting from the construction, operation or maintenance of the Member/Owner's facility, or any other form of loss or damage of any kind or character whatsoever.

b. For the purposes of this Agreement, a Force Majeure event is any event beyond the reasonable control of the affected Party such that the affected Party is unable to prevent or protect against by exercising reasonable diligence, including without limitation, 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 keep the other Party informed on a continuing basis regarding 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 may suspend or modify the performance of its obligations under this Agreement, but will use reasonable efforts to resume its performance as soon as possible. In no event shall the suspension or modification of performance exceed thirty (30) days unless agreed upon in writing by the non-affected Party.

c. Member/Owner shall be responsible for the safe installation, maintenance, repair and condition of lines, wires, switches, or other equipment or property on its side of the point of interconnection. The Cooperative does not assume any duty of inspecting Member/Owner's lines, wires, switches, or other equipment or property and will not be responsible therefore. Member/Owner assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the point of interconnection.

7. Testing and Testing Records – Member/Owner shall perform or cause to be performed such tests as the Cooperative may reasonably require and shall provide to the Cooperative all testing records. Testing of protection systems shall comply with existing industry standards and practices. Such 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/Owner 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/Owner shall obtain approval by the Cooperative of the settings of the equipment being installed prior to commencing operation.

8. Right of Access, Equipment Installation, Removal & Inspection – The Cooperative shall have clear and unencumbered access to the Member/Owner’s generation facility and interconnection equipment at all times in order to monitor operation of the equipment, Cooperative-supplied service equipment connected to such system, or (for good cause and without prior notice) to disconnect the Member/Owner’s equipment from the Cooperative’s distribution system. The Cooperative shall also have access to Member/Owner’s premises and to operational records for any reasonable purpose in connection with the interconnection described in this Agreement, the Requirements, or to provide service to its Member/Owners.

9. Disconnection of Facilities – Member/Owner retains the option to disconnect its facilities from the System, provided that the Member/Owner notifies the Cooperative of the 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 except as otherwise provided for in Section 13. However, Member/Owner shall disconnect Facilities from the System upon the effective date of any termination of this Agreement as provided for in Section 13.

The Cooperative may disconnect the electric generation 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 Member/Owners. The facility shall also be subject to the Cooperative’s requirements for maintaining voltage standards of output, limitation on harmonic currents and the production of reactive power.

10. Metering – The Cooperative shall be reimbursed for all costs of interconnection, including all carrying and metering costs, incurred by it in connecting the Member/Owner’s generation facility 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 – Throughout the term of this Agreement, the Member/Owner shall be insured pursuant to a liability insurance policy issued by a licensed insurance carrier with an A. M. Best rating of B+ or better that provides protection against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of the Member/Owner’s ownership and/or operation of the DG Facility under this Agreement and such policy will be primary and noncontributory. The limits of such policy for a generation facility shall be at least \$1,000,000 per occurrence. The Member/Owner shall provide a certificate of insurance containing a minimum thirty (30) calendar day notice of cancellation to the Cooperative prior to connection of the Member/Owner’s facility to the Cooperative system.

12. Indemnification - The Member/Owner shall indemnify the Cooperative, its directors, officers, representatives, agents, and employees against all loss, damage, expense and liability to any persons, including Member/Owners, for injury to or death of persons or damage to property, including without limitation, damages of any kind or character whatsoever, interest, attorneys’ fees, court costs and expenses, whether in whole or in part proximately caused by the construction, ownership, interconnection, operation, or maintenance of, or by failure of, any of such Member/Owners’ works, facilities or system used in connection with the operation of the generating facility. The Member/Owner will, upon the Cooperative’s request, accept tender of and defend any suit asserting a claim covered by this agreement to indemnify.

13. Effective Term and Termination Rights – This Agreement becomes effective when executed by both Parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Member/Owner may terminate this Agreement at any time by providing the Cooperative at least sixty (60) calendar days prior written notice; (b) Cooperative may terminate upon failure by Member/Owner to generate energy from the Facilities within six (6) months after completion of the interconnection; (c) either Party may terminate by giving the other Party at least thirty (30) calendar days prior written notice to the Party in default of any of the terms and conditions of the Agreement or the bylaws, rules, policies, regulations, rates and guidelines of the Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default within thirty (30) days after receipt of such notice; (d) Cooperative may terminate by giving Member/Owner at least sixty (60) calendar days prior written 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; (e) Cooperative may terminate this Agreement upon three (3) business days prior written notice in the event Member/Owner ceases to receive electric service from Cooperative or is in default of terms or conditions for electric service; in the event that a Party (i) makes a general assignment or arrangement for the benefit or creditors; (ii) commences an action or proceeding under any bankruptcy, insolvency or similar law for the protection of debtors or creditors, or has commenced against it any such action or proceeding which is not withdrawn or dismissed within thirty (30) calendar days of Cooperative being informed thereof; (iii) otherwise is adjudicated a debtor in bankruptcy or insolvent; (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 of its commencement; (viii) causes or is subject to any event that has an effect analogous to any of the events enumerated in clauses (i) through (vii); 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; then, in such event, this Agreement shall terminate automatically without notice and without any other action by either Party.

14. Compliance with Laws, Rules and Regulations– Member/Owner shall be responsible for complying with all federal, state and local laws. In the event Member/Owner’s facilities, interconnection or disposition of electricity generated by the distributed generation are, or become, subject to Federal, State or local regulation, Member/Owner is, and shall be, responsible for applicable regulatory compliance of any kind or character whatsoever. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the Cooperative’s policies, regulations, rules, rates and guidelines governing interconnection of distributed generation. The Cooperative reserves the right to change the Rules and policies at any time.

15. Severability – 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 to be severed, and the remainder of this Agreement, shall remain in full force and effect.

16. Amendment – This Agreement may be amended only upon execution of a written agreement by the Parties.

17. Entirety of Agreement – This Agreement, including the terms, provisions and requirements stated in any 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 of the Parties 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 unless it is set forth, referred to or provided for herein, in Member/Owner’s application, or other written information provided by the Cooperative to the Member/Owner in compliance with this Agreement.

18. 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 written consent of the Cooperative. The assignee will be responsible for the proper operation and maintenance of the Facilities, and shall be subject to all provisions of this Agreement. Cooperative may assign this Agreement to another entity without the written approval of Member/Owner. Required consents shall not be withheld unreasonably.

19. Notices – Notices pursuant to this Agreement shall be deemed to have been duly delivered when deposited with the United States Postal Service via certified mail, return receipt requested, postage prepaid, and with an additional copy of such notice sent by regular U.S. Mail to:

As to Cooperative:

President/CEO
Eastern Illini Electric Cooperative
P. O. Box 96
Paxton, IL 60957

As to Member/Owner:

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

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

21. No PURPA Interconnection – The Parties agree that the Member/Owner’s facility is not a qualifying small power production facility or qualifying cogeneration facility as defined in the Public Utility Regulatory Policies Act of 1978 and that nothing herein confers any rights or obligations on either Party by application of that Act.

22. No Third-Party Beneficiaries – This Agreement is not intended to and does not create rights, remedies, or benefits of any kind or 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.

23. 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 with regard to any other performance required hereunder.

24. 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 Ford County has jurisdiction on all matters relating to the enforcement of this Agreement.

25. Dispute Resolution - Any dispute or claim arising under or with respect to this Agreement will be resolved by arbitration in Paxton or Champaign, Illinois in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA) before a panel of three (3) arbitrators, one appointed by each Party and the third appointed by AAA. The decision or award of a majority of the arbitrators shall be final and binding upon the Parties. Any arbitral award may be entered as a judgment or order in a court of competent jurisdiction referred to in Section 24. The arbitration panel shall take into full account and rule consistently with the terms of this Agreement and the bylaws, rules, policies, regulations and rates of the Cooperative.

Notwithstanding the provisions for arbitration, either Party will be entitled, without posting bond or other security, to injunctive or other equitable relief in the courts as provided in this Agreement, or as a court of competent jurisdiction referred to in Section 24 may otherwise determine.

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

MEMBER/OWNER

EASTERN ILLINI ELECTRIC
COOPERATIVE, INC.

(name)

By: _____

By: _____

Title: _____

By: _____

Witness: _____

EXHIBIT A

DESCRIPTION OF FACILITY SCHEDULE AND POINT OF INTERCONNECTION

Facility Schedule No.

Point of Interconnection

Member/Owner will, at Member/Owner'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. Metering: _____
 Voltage: _____
 Location: _____
 Loss adjustment due to metering location: _____
 Other: _____
- 5. Normal operation of interconnection:
- 6. One line diagram attached (check one): _____ Yes _____ No
- 7. Facilities to be furnished by Cooperative:
- 8. Facilities to be furnished by Member/Owner:
- 9. Cost responsibility:
- 10. Control area interchange point (check one): _____ Yes _____ No
- 11. Supplemental terms and conditions attached (check one): _____ Yes _____ No
- 12. Cooperative requirements for DG interconnection attached (check one): _____ Yes _____ No

MEMBER/OWNER	DATE
_____	_____
_____	_____

EASTERN ILLINI ELECTRIC COOPERATIVE DATE

BY: _____

TITLE: _____