



Account Ref. Number - \_\_\_\_\_

# Lexington Electric System Interconnection, Metering, and Parallel Operation Agreement for Renewable Generation Systems (Residential Solar Generation $\leq$ 50kW)

This Interconnection, Metering, and Parallel Operation Agreement (“**Agreement**”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Lexington Electric System, hereinafter referred to as “**LES**”, and \_\_\_\_\_ hereinafter referred to as “**Participant**.” LES and Participant may be collectively referred to as “**Parties**” or individually as a “**Party**.”

The Participant has requested interconnection services from LES in order to self-generate and/or sell the output of renewable generation that is owned by the Participant or a third party (see attached Application for Interconnection of Distributed Generation, hereafter called “**Application**”) at the Participant’s presently metered location, which is \_\_\_\_\_.

This Agreement does not create any obligation of LES or the LES’ power supplier, Tennessee Valley Authority (“**TVA**”), to purchase energy resulting from this interconnection, nor does this Agreement give the Participant the right to sell energy resulting from this interconnection to any other entity.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and agreements set forth herein, the Parties agree as follows:

## 1. Definition of Terms

“**Application**” means “Lexington Electric System Application for Interconnection”.

“**Metering Installation**” means meters and related facilities.

“**Qualifying System**” means one or more generating systems and all related interconnection equipment.

“**Point of Interconnection**” means the point where the electric energy first leaves the wires or facilities owned by the LES and enters the wires or facilities provided by Participant.

“**Renewable Distributed Generation**” is electricity generated near the point of use from renewable sources, such as solar, wind, and biomass.

“**Rules**” means all applicable rules, regulations, by-laws, and rates.

“**Surplus Generation**” means generation in excess of the customer’s instantaneous usage that flows beyond the customer’s point of interconnection with LES and into the LES’ distribution system.

“**System**” means electric power distribution system.

## 2. Scope of Agreement

- 2.1. This Agreement is applicable when the LES and the Participant agree that the Qualifying System, located at Participant’s presently metered location with a gross power rating of \_\_\_\_kW DC and to be interconnected at \_\_\_\_\_VAC, may be interconnected to the LES’ System.

Execution of this Agreement allows the Participant to proceed with procurement and installation of the system.

Participant is not allowed to proceed with parallel (interconnected) operation **until**:

- LES has received an approved electrical inspection report from the State Electrical Inspection;
- LES has conducted an onsite inspection;
- LES has witnessed a onsite commissioning test (or waived such test); and
- LES has given the Participant a written authorization to proceed with interconnected (“parallel”) operation.

### **3. Establishment of Point of Interconnection**

- 3.1. LES and Participant agree to interconnect the Qualifying System at the Point of Interconnection in accordance with this Agreement and local codes, based on the approved one-line diagram.

### **4. General Responsibilities of the Parties**

- 4.1. LES has reviewed the proposed generation and related equipment as described in the Application to ensure compliance with LES’ interconnection requirements and approved the Qualifying System for interconnection based on one of the following conditions:
  - 4.1.1. Qualifying System has been reviewed by LES based on the applicable codes and standards and has passed any applicable screening process for Renewable Distributed Generation, or
  - 4.1.2. LES, in agreement with Participant, has conducted additional engineering evaluations or detailed impact studies and any necessary System upgrades or changes identified by these additional studies have been implemented and Participant has paid for such changes where necessary.
- 4.2. Participant shall comply with all applicable laws, regulations, zoning codes, building codes, safety rules and environmental restrictions, including the latest version of the National Electrical Code, and codes issued by Underwriters Laboratories (“UL”), the Institute of Electrical and Electronics Engineers (“IEEE”), and the American National Standards Institute (“ANSI”) that are applicable to the design, installation, operation, and maintenance of its Qualifying System.
- 4.3. LES shall, at Participant’s expense, provide and install such Metering Installation as in LES’ judgment is needed to measure the electrical output from the Qualifying System. Thereafter, LES shall, at Participant’s expense, test, calibrate, operate, maintain, and, if necessary, replace the meter(s) in the Metering Installation. The Metering Installation shall conform to applicable industry standards and shall be for LES’ exclusive use and control unless otherwise agreed by the Parties. If the Participant is selling the power output of the Qualifying System under a separate program or agreement, the Participant shall notify LES of any metering requirements of the power purchaser, any costs of which shall be borne by the Participant.

- 4.4. If applicable, the Participant shall provide the local building code official's inspection and certification of installation forms to LES either via hardcopy or electronically. The certification shall reflect that the code official has inspected and certified that the installation was permitted, has been approved, and has met all electrical and mechanical qualifications.
- 4.5. Prior to parallel operation, LES may verify the Qualifying System for compliance with standards which may include testing the Qualifying System in the presence of the Participant and/or Installer. Participant shall not begin parallel operation before LES provides written authorization.
- 4.6. Participant shall operate its Qualifying System in compliance with all aspects of the Rules and in accordance with industry standard prudent engineering practice, and must comply with IEEE 519, UL 1741, IEEE 1547, and any other applicable codes and standards of ANSI, IEEE, and UL, that are currently applicable at the time of this Agreement.
- 4.7. The Participant shall be responsible for protecting its renewable generation equipment, inverters, protective devices, and other system components from damage from normal and abnormal conditions and operations that occur on the System in delivering and restoring power. The Participant shall be responsible for ensuring that the Qualifying System is inspected and maintained on an ongoing basis in accordance with the manufacturer's instructions to ensure that it is operating correctly and safely.

## **5. Installation Verification and Ongoing Compliance**

- 5.1. LES will provide Participant with as much notice as reasonably practicable, either in writing, email, or by phone, as to when LES may conduct installation verification and/or document review. Upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, LES shall have access to the Participant's premises for the purpose of accessing the manual disconnect switch, performing an installation verification or disconnection, or, if necessary, to meet LES' legal obligation to provide service to its customers.

## **6. Manual Disconnect Switch**

- 6.1. Participant must install an exterior manual, lockable, visible load-break disconnect switch between the generation source and the LES' System that is visibly marked "Solar+Storage Utility Disconnect." The disconnect switch shall be mounted separate from, but adjacent to, LES' meter socket. The Participant shall ensure that such manual disconnect switch shall remain readily accessible to LES and be capable of being locked in the open position with a single LES utility padlock. A weatherproof single line diagram of the facility must be located adjacent to the disconnect switch.

## **7. Disconnection/Reconnection**

- 7.1. LES may open the manual disconnect switch or disconnect the Participant's meter, pursuant to the conditions set forth in Section 7.2 below, isolating the Qualifying System, without prior notice to the Participant. To the extent practicable, however, prior notice shall be given. If prior notice is not given, LES shall, at the time of disconnection leave a door hanger notifying the Participant that its Participant-owned renewable generation has been disconnected from the System, including an explanation of the condition necessitating such action. As soon as practicable after the conditions necessitating disconnection have been remedied, LES will unlock the disconnect

switch so Participant may reenergize the Qualifying System. However whether or not the LES has locked the disconnect switch, the Participant shall not reenergize the Qualifying System without the prior approval of LES.

7.2. LES has the right to disconnect the Participant-owned renewable generation at any time. Examples of situations that may require disconnect include, but are not limited to:

7.2.1. Emergencies or maintenance requirements on LES' System;

7.2.2. Hazardous conditions existing on LES' System due to the operation of the Participant's generating equipment or protective equipment as determined by LES; and

7.2.3. Adverse electrical effects, such as power quality problems, on the electrical equipment of LES' other electric consumers caused by the Participant-owned renewable generation as determined by LES; and

7.2.4. Failure to pay LES for costs associated with the Qualifying System as described in Section 17.

## **8. Modifications/Additions to Participant-owned Renewable Generation**

8.1. If the Qualifying System is subsequently modified in order to increase or decrease its gross power rating or any components are changed, the Participant must provide LES with written notification that fully describes the proposed modifications at least thirty (30) calendar days prior to making the modifications. LES has the right to accept or deny the request of the proposed modifications. LES shall review such modifications to determine if LES needs to modify its interconnection facilities, and any cost incurred in the review or system modification shall be borne by the Participant. Participant may, at its own risk, proceed with procurement and installation of such modifications, but Participant is not allowed to proceed with parallel operation until LES has conducted an onsite installation verification, and witnessed any required commissioning test or waived such test, and has given Participant written authorization to proceed with parallel operation of the modified system.

## **9. Indemnity**

9.1. Participant agrees to release, indemnify, and save harmless LES, TVA, and their respective agents and employees from all liability, claims, demands, causes of action, costs, or losses for personal injuries, property damage, or loss of life or property, sustained by Participant, Participant's agents and family, or third parties arising out of or in any way connected with the installation, testing, operation, maintenance, repair, replacement, removal, defect, or failure of Participant's Qualifying System except for negligence or intentional misconduct of LES, TVA, or their respective agents and employees. The obligations of this section 9.1 shall survive termination of this Agreement.

## **10. Assignment**

10.1. This Agreement shall not be assignable to another Participant.

10.2. Change in ownership shall require a new Interconnection Agreement to be executed.

## **11. Insurance**

- 11.1. The Participant is encouraged to obtain an insurance policy to protect the Qualifying System equipment and an additional liability policy for Personal Injury and Property Damage to cover the Participant's potential liability under this agreement.

## **12. Effective Term and Termination Rights**

- 12.1. This Agreement becomes effective when executed by both Parties and shall continue in effect as long as the Qualifying System is capable of operation and connected to LES' System, notwithstanding any termination of any power purchase agreement for some or all of the Qualifying System's output. LES reserves the right to terminate this Agreement if the Participant is non-compliant with any terms of this Agreement or LES' interconnection procedures.

## **13. Entirety of Agreement and Prior Agreements Superseded**

- 13.1. This Agreement, including the Rules and all attached Exhibits made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the Qualifying System at the Point 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, in the Participant's Application, or other written information provided by the Participant in compliance with the Rules.

## 14. Notices

14.1. Notices given under this Agreement are deemed to have been duly delivered if hand delivered, delivered electronically, or sent by United States certified mail, return receipt requested, postage prepaid, to:

(a) If to Lexington Electric System:

(b) If to Participant:

(c) If to Property Owner:

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

## **15. Applicable Law**

- 15.1. This Agreement shall be governed pursuant to the laws of the State and County of jurisdiction for the project site.

## **16. Severability**

- 16.1. If one or more of the provisions of this Agreement are found to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of the Agreement shall not be affected.

## **17. Billing and Payment**

- 17.1. Participant is responsible for LES' costs (whether actual or flat fees), including applicable overheads that LES incurs due to Participant's interconnection and parallel operation of the Qualifying System. These costs include, without limitation, the cost of system impact studies, installation verifications, reviews, associated billing charges, meter reading charges, installation, operations and maintenance of the Metering Installation, and all other additional facilities required by LES to interconnect the Qualifying System, and LES' System reconfiguration, upgrades, and modifications.
- 17.2. Upon receipt of sufficient information from Participant, LES shall provide to Participant a good faith estimate of such interconnection costs, indicating what costs are upfront costs ("Upfront Interconnection Costs") and what costs (if any) are recurring, periodic charges ("Periodic Interconnection Costs").
- 17.3. Participant shall remit to LES the full amount equal to such good-faith estimate of the Upfront Interconnection Costs, before LES begins incurring costs and before Participant interconnects or begins parallel operation of the Qualifying System. If the total actual Upfront Interconnection Costs incurred by LES exceed the good-faith estimate paid by Participant, LES shall promptly submit to Participant a written invoice for the excess amount, which amount Participant shall promptly pay. Once LES has begun incurring any Periodic Interconnection Costs, LES shall bill Participant for such costs, which costs Participant shall promptly pay. Upon request, LES shall provide to Participant documentation explaining the basis for such costs.

## **18. Miscellaneous**

- 18.1. This Agreement may be amended only by a written instrument executed by both Parties.
- 18.2. This Agreement may be executed in several counterparts, each of which shall be considered an original and all of which shall constitute but one and the same instrument.
- 18.3. The headings in this Agreement are solely for the convenience of the Parties in locating provisions in this Agreement. The headings themselves are not part of this Agreement and shall not affect the meaning or interpretation of this Agreement.
- 18.4. In any action, suit, or proceeding to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to reimbursement for all costs and expenses reasonably incurred in enforcing, defending, or interpreting its rights hereunder, including, but not limited to, all collection and court costs, and all attorneys' fees, whether incurred out of court, in the trial court, on appeal, or in bankruptcy or administrative proceedings.

## **19. Generation Sales**

### **19.1. Surplus Generation Power Purchase Agreement:**

- Participant does not intend to sell surplus generation.
- Participant intends to sell surplus generation. Participant agrees to contact LES and complete Attachment A when power purchase agreement is executed.



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

Participant's signature is witnessed and notarized below.

**[PARTICIPANT]**

BY: \_\_\_\_\_  
(Print Name)

BY: \_\_\_\_\_  
(Signature)

PROPERTY OWNER ? \_\_\_\_\_  
(Yes or No)

DATE: \_\_\_\_\_

**Notary Acknowledgement of above Participant's Signature**

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally appeared \_\_\_\_\_, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that such person executed the same as such person free act and deed.

\_\_\_\_\_  
(Notary Public)

Printed Name: \_\_\_\_\_

Commission Expires: \_\_\_\_\_

**[ Lexington Electric System ]**

BY: Jeff Graves  
(Print Name)

BY: \_\_\_\_\_  
(Signature)

TITLE: General Manager

DATE: \_\_\_\_\_