

# Terms and Conditions for Interconnecting a Distributed Energy System

## 1.0 Application

- 1.1 The Customer that is requesting to construct and install a Distributed Energy System to interconnect to Flint Hills REC's distribution system must submit an application prior to any connection of the Distributed Energy System and verify that such system is constructed, installed and operated in accordance with all applicable standards and codes.
- 1.2 Flint Hills REC shall assess on the Customer requesting to install a Distributed Energy System a fair and reasonable interconnection application fee, any applicable costs incurred by Flint Hills REC for any study conducted to verify and allow the requested capacity to be interconnected at the Customer's point of delivery, and/or costs associated with any related system upgrade costs, devices and equipment required to be furnished by Flint Hills REC for the provision of accepting the requested capacity.

## 2.0 Construction of the Facility

- 2.1 The Customer shall furnish, install, operate and maintain in good order and repair, at the customer's expense, a listed device that is suitable for the operation of the Customer's Distributed Energy System in parallel with Flint Hills REC's system.
- 2.2 Flint Hills REC shall furnish, own, and maintain at its expense, all necessary meters and associated equipment utilized for billing. Flint Hills REC may install, at its expense, load research meters and equipment to monitor Customer generation and load, and the Customer shall provide at no expense to Flint Hills REC, a suitable location for such meters and equipment.
- 2.3 Interconnection facilities including the Customer's and Flint Hills REC's equipment shall be accessible at all reasonable times to Flint Hills REC personnel.
- 2.4 The Customer may proceed to construct (including operational testing not to exceed two hours) the Distributed Energy System when Flint Hills REC approves the Application and returns it to the Customer.

## 3.0 Interconnection and Operation - The Customer may operate the Distributed Energy System and interconnect with Flint Hills REC's electric system once all the following occurred:

- 3.1 Upon completing construction, the Customer will cause the Distributed Energy System to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction if applicable, and
- 3.2 The Customer returns the Certificate of Completion to Flint Hills REC, and
- 3.3 Flint Hills REC has either:
  - 3.3.1 Completed its inspection of the Distributed Energy System to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be scheduled by Flint Hills REC within ten Business Days after receipt of the Certificate of Completion and inspection shall take place at a time agreeable to the Parties. Flint Hills REC shall provide a written statement that the Distributed Energy System has passed inspection or shall notify the Customer of what steps it must take to pass inspections as soon as practicable after the inspection takes place; or

3.3.2 If Flint Hills REC does not schedule an inspection of the Distributed Energy System within ten business days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise); or

3.3.3 The company waives the right to inspect the Distributed Energy System.

3.4 Flint Hills REC has the right to disconnect the Distributed Energy System in the event of improper installation or failure to return the Certificate of Completion.

3.5 Revenue quality metering equipment must be installed and tested in accordance with applicable ANSI standards.

#### 4.0 Safe Operation and Maintenance

4.1 The Customer shall be fully responsible for the operation, maintenance and repair of the Distributed Energy System as required to ensure that it complies at all times with Flint Hills REC's Rules and Regulations and the Terms and Conditions Agreement to which it has been certified.

4.2 The Customer shall install and maintain a visible, manual disconnect switch, within six (6) feet of the Customer's billing meter. This manual switch must have the capability to be locked out by Cooperative personnel to isolate the Cooperative's facilities in the event of an electrical outage on the Cooperative's transmission and distribution facilities serving the Customer. This isolating device shall also serve as a means of isolation for the Customer equipment during any Customer-generator maintenance activities, routine outages or emergencies.

4.3 For the purposes of ensuring the safety and quality of Flint Hills REC's system power, Flint Hills REC shall have the right to require the customer, at certain times and as electrical operating conditions warrant, to limit the production of electrical energy from the generating facility to an amount no greater than the load at the Customer's facility of which the Distributed Energy System is a part.

4.4 Flint Hills REC may periodically require a witness test of the Customer's Distributed Energy System throughout the provision of the interconnected service.

4.5 The Customer shall own and maintain any necessary export-limiting device.

4.5.1 Protections shall be in place to restrict the export-limiting device settings to qualified persons.

4.5.2 Flint Hills REC shall have the option to require a witness test of the export-limiting device, device's functions or settings prior to granting permission to operate and at any time with the Distributed Energy System is connected to Flint Hills REC's system.

4.5.3 The export capacity of the interconnected system shall not be increased without prior approval of Flint Hills REC.

4.5.4 If the export-limiting device's functions or settings are incorrect or if the device fails to limit the export of power below the designed export capacity for more than 15 minutes in any single event, the Customer shall cease operation of the system until repair or reprogramming of the export-limiting device is completed. At such time Flint Hills REC

may require and conduct a witness test prior to authorizing the Customer to resume operation of the system.

- 4.5.5 If a Customer repairs or replaces a Distributed Energy System, the customer shall notify the Flint Hills REC prior to such repair or replacement and provide proof that the new equipment complies with the same rules, regulations and approved capacity as the original installation. Flint Hills REC shall have the right to require and conduct a witness test prior to authorizing operation of the system.

## 5.0 Access

- 5.1 Flint Hills REC shall have access to the disconnect switch and metering equipment of the Distributed Energy System at all times. Flint Hills REC shall provide reasonable notice to the Customer, when possible, prior to using its right of access.

6.0 Disconnection - The Company may temporarily disconnect the Distributed Energy System upon any of the following conditions:

- 6.1 For scheduled outages upon reasonable notice.
- 6.2 For unscheduled outage or emergency conditions.
- 6.3 If the Distributed Energy System does not operate in a manner consistent with these terms and conditions.
- 6.4 Electric service to the Customer's premises is discontinued for any reason.
- 6.5 Adverse electrical effects, such as power quality problems, are occurring or are believed to be occurring on Flint Hills REC's system or the electrical equipment of other Flint Hills REC customers.
- 6.6 Flint Hills REC identifies uninspected or unapproved equipment or modifications to the distributed energy system after initial approval.
- 6.7 There is recurring abnormal operation, substandard operation or inadequate maintenance of the distributed energy system.
- 6.8 The Customer fails to remit payment to Flint Hills REC for any amounts owed, including, but not limited to, amounts invoiced.

## 7.0 Indemnification

- 7.1 The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this agreement on behalf of the indemnifying Party, except in the case of gross negligence or intentional wrongdoing by the indemnified Party.

## 8.0 Limitation of Liability

- 8.1 Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for

any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 7.0.

8.2 Flint Hills REC will not require a customer whose facility meets the standards in this agreement to comply with additional safety or performance standards or perform or pay for additional tests or purchase additional liability insurance. Flint Hills REC shall not be liable directly or indirectly for permitting or continuing to allow an attachment of a distributed energy system or for the acts or omissions of the Customer-generator that cause loss or injury, including death, to any third party.

9.0 Termination - This agreement to operate in parallel may be terminated under the following conditions:

9.1 By the Customer providing written notice to Flint Hills REC.

9.2 By Flint Hills REC if the Distributed Energy System fails to operate for any consecutive 6-month period or the Customer fails to remedy a violation of these Terms and Conditions.

In the event this Agreement is terminated, Flint Hills REC shall have the right to disconnect its facilities or direct the Customer to disconnect its Distributed Energy System. This Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.

10.0 Assignment/Transfer of Ownership of the Facility

10.1 This agreement shall survive the transfer of ownership of the distributed energy system to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies Flint Hills REC.

Interconnection Customer Signature:

I agree to abide by the terms and conditions for Interconnecting a Distributed Energy System and return the Certificate of Completion when the Distributed Energy System has been installed.

Signed: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_