



INTERCONNECTION REQUEST APPLICATION
FOR A CERTIFIED INVERTER-BASED GENERATING FACILITY
NO LARGER THAN 20 kW

Preamble and Instructions:

An Interconnection Party must submit this Interconnection Request Application by hand delivery, mail, e-mail, or fax to the Cooperative. This Interconnection Request Application is considered complete when it provides all applicable and correct information required below. Additional information to evaluate the Interconnection Request may be required.

Processing Fee:

A non-refundable processing fee of One Hundred Fifty Dollars (\$150.00) must accompany this Interconnection Request Application.

Change in Ownership – Non-Refundable Processing Fee:

If the Interconnection Request is submitted solely due to a transfer of ownership or change of control of the Generating Facility, the processing fee is Fifty Dollars (\$50.00).

Interconnection Party:

Legal Name of the Interconnection Party (or, if an individual, individual's name)

Name: _____

Account Number: _____

Contact Name: _____

Title: _____

E-Mail Address: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

Generating Facility Information:

Facility Location (if different from above):

Address: _____
City: _____ State: _____ Zip: _____
County: _____

Inverter Manufacturer: _____ Model _____

Nameplate Rating: _____ (kW-AC) _____ (AC Volts)

Nameplate Rating: _____ (kW-DC) Single Phase _____ Three Phase _____

Single Phase _____ Three Phase _____

Prime Mover: Photovoltaic Reciprocating Engine Fuel Cell
Turbine Other _____

Energy Source: Solar Wind Hydro Diesel Natural Gas
Fuel Oil Other (describe) _____

Energy Storage: Batteries Other _____

If Batteries: _____ kW _____ kWh and Type _____

Is the equipment UL 1741 Listed? Yes _____ No _____

If Yes, attach manufacturer's cut-sheet showing UL 1741 listing

Estimated Installation Date: _____ Estimated In-Service Date: _____

The 20 kW Inverter Process is available only for inverter-based Generating Facilities no larger than 20 kW that meet the codes, standards, and certification requirements of Attachments 5 and 6 of the Cooperative's Standard Generator Interconnection Procedures, Forms, and Agreements ("SGIP"), or the Cooperative has reviewed the design or tested the proposed Generating Facility and is satisfied that it is safe to operate.

List components of the Generating Facility equipment package that are currently certified:

Number	Equipment Type	Certifying Entity
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____

Interconnection Party Signature

I hereby certify that, to the best of my knowledge, the information provided in this Interconnection Request Application is true. I agree to abide by the Cooperative's terms and conditions for Interconnecting a Certified Inverter-Based Generating Facility No Larger than 20 kW and return the Certificate of Completion when the Generating Facility has been installed.

Signed: _____

Title: _____ Date: _____

Contingent Approval to Interconnect the Generating Facility (For Cooperative use only)

Interconnection of the Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting a Certified Inverter-Based Generating Facility No Larger than 20 kW and return of the Certificate of Completion.

Cooperative Signature: _____

Title: _____ Date: _____

Interconnection Request ID number: _____

Cooperative waives inspection/witness test? Yes ____ No ____

**Certificate of Completion for Interconnecting a Certified Inverter-Based
Generating Facility No Larger than 20 kW**

Is the Generating Facility owner-installed? Yes _____ No _____

Interconnection Party:

Name: _____
Account Number: _____
Contact Name: _____
Title: _____
E-Mail Address: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Telephone: _____ Fax: _____

Location of Generating Facility (if different from above):
Address: _____
City: _____ State: _____ Zip: _____
County: _____

Developer/Electrician:

Electrician Name: _____
Company: _____
E-Mail Address: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone (Day): _____ Fax: _____
License Number: _____
Date Approval to Install Generating Facility granted by Cooperative: _____
Interconnection Request ID Number: _____

Inspection:

The Generating Facility has been installed and inspected in compliance with the local building/ electrical code of _____ [County/City/Town].

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

Signature: _____

Print Name: _____ Date: _____

As a condition of interconnection, you are required to send/email/fax a copy of this form along with a copy of the signed electrical permit to:

Edisto Electric Cooperative, Inc.
Attention: Daniel Eubanks
E-Mail Address: solar@edistoelectric.com
PO Box 547
Bamberg, SC 29003

Approval to Energize the Generating Facility (For Cooperative use only)

Energizing the Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting a Certified Inverter-Based Generating Facility No Larger than 20 kW.

Cooperative Signature: _____

Title: _____ Date: _____



INTERCONNECTION AGREEMENT

THIS INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 20____, by EDISTO ELECTRIC COOPERATIVE, INC. ("Cooperative"), and _____ ("Interconnection Party") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties".

Interconnection Party Information:

Interconnection Party: _____
Attention: _____
Email: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Interconnection Party Application No: _____

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

Article 1. Scope and Limitations of Agreement

1.1 Applicability

This Agreement shall be used for all Interconnection Requests submitted under the Cooperative’s *Standard Generator Interconnection Procedures, Forms, and Agreements* (“SGIP”) for distributed Generating Facilities with a Nameplate Capacity no larger than 1 MW, incorporated herein by reference.

1.2 Purpose

This Agreement governs the terms and conditions under which the Interconnection Party’s Generating Facility will interconnect with, and operate in parallel with, the Cooperative's System.

1.3 No Agreement to Purchase or Deliver Power or RECs

This Agreement does not constitute an agreement to purchase or deliver the Interconnection Party's power or Renewable Energy Certificates (“RECs”). The purchase or delivery of power, RECs that might result from the operation of the Generating Facility, and other services that the Interconnection Party may require will be covered under separate agreements, if any. The Interconnection Party will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the Cooperative.

1.4 Limitations

Nothing in this Agreement is intended to affect any other agreement between the Cooperative and the Interconnection Party.

1.5 Responsibilities of the Parties

1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Cooperative Practice.

1.5.2 The Interconnection Party shall construct, interconnect, operate and maintain its Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Cooperative Practice. Interconnection Party shall obtain all environmental and other permits required by Governmental Authorities prior to construction, installation, and interconnection of the Generating Facility. Interconnection Party shall also maintain these applicable permits and compliance with these permits during the Term of this Agreement.

1.5.3 The Cooperative shall construct, operate, and maintain its System and Interconnection Facilities in accordance with this Agreement, and Good Cooperative Practice.

1.5.4 The Interconnection Party agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, National Electrical Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Party agrees to design, install, maintain, and operate its Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Cooperative and any Affected Systems.

1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of its respective lines and appurtenances on its side of the point of change of ownership. The Cooperative and the Interconnection Party, as appropriate, shall provide Interconnection Facilities that adequately protect the Cooperative's System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 The Cooperative shall coordinate with all Affected Systems to support the interconnection.

1.5.7 The Interconnection Party is responsible for reviewing the NERC registration requirements, registering when applicable and complying with the applicable Electric Reliability Organization (“ERO”) reliability standards.

1.6 External Disconnect Switch (“EDS”) Required

The Cooperative requires that the Interconnection Facilities shall include a lockable disconnect and visible open EDS that is readily accessible to and operable by authorized Cooperative personnel at all times. The EDS is a manual load break disconnect switch or safety switch with a clear visible indication of switch position between the Cooperative System and the Interconnection Party. The switch must have pad lock provisions for locking in the open position. The switch must be visible to, and accessible to, Cooperative personnel. The switch must be in close proximity to, and on the Interconnection Party's side of the point of electrical interconnection with, the Cooperative's System. The switch must be labeled "Generator Disconnect Switch." The switch may isolate the Interconnection Party and its associated load from the Cooperative's System or disconnect only the Generator from the Cooperative's System and shall be accessible to the Cooperative at all times. The Cooperative, in its sole discretion, determines if the switch is suitable and necessary.

1.7 Parallel Operation Obligations

Once the Generating Facility has been authorized to commence parallel operation, the Interconnection Party shall abide by all rules and procedures pertaining to the parallel operation of the Generating Facility in the applicable control area, including, but not limited to: (1) any rules and procedures concerning the operation of generation set by the applicable system operator(s) for the Cooperative's System; and (2) the Operating Requirements set forth in Appendix 5 of this Agreement.

1.8 Metering

The Interconnection Party shall be responsible for the Cooperative's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Appendices 2 and 3 of this Agreement. The Interconnection Party's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.9 Reactive Power

The Interconnection Party shall design its Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Cooperative maintains different requirements that apply to all similarly situated generators on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

1.10 Capitalized Terms

Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 of the Cooperative's SGIP, incorporated herein by reference.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Party shall test and inspect its Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Party shall notify the Cooperative of such activities no fewer than five (5) Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Cooperative may, at its own expense, send qualified personnel to the

Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Party shall provide the Cooperative a written test report when such testing and inspection is completed.

- 2.1.2 The Cooperative shall provide the Interconnection Party written acknowledgment that it has received the Interconnection Party's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Cooperative of the safety, durability, suitability, or reliability of the Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Party, or the quality of power produced by the Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

- 2.2.1 The Cooperative shall use Reasonable Efforts to list parallel operation requirements in Appendix 5 of this Agreement. Additionally, the Cooperative shall notify the Interconnection Party of any changes to these requirements as soon as they are known. The Cooperative shall make Reasonable Efforts to cooperate with the Interconnection Party in meeting requirements necessary for the Interconnection Party to commence parallel operations by the In-Service Date.

- 2.2.2 The Interconnection Party shall not operate its Generating Facility in parallel with the Cooperative's System without prior written authorization of the Cooperative. The Cooperative will provide such authorization once the Cooperative receives notification that the Interconnection Party has complied with all parallel operation requirements, including but not limited to additional Operating Requirements presented in Appendix 5 of this Agreement. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

- 2.3.1 Upon reasonable notice, the Cooperative may send a qualified person to the premises of the Interconnection Party at or immediately before the time the Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Generating Facility (including any required testing), startup, and operation for a period of up to three (3) Business Days after initial start-up of the unit. In addition, the Interconnection Party shall notify the Cooperative at least five (5) Business Days prior to conducting any on-site verification testing of the Generating Facility.

- 2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Cooperative shall have access to the Interconnection Party's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its members.

- 2.3.3 Each Party shall be responsible for its own costs associated with following this Article. Cooperative's obligation to provide the interconnection as covered in this Agreement is contingent upon Cooperative receiving the rights-of-way and receiving the necessary equipment in sufficient time to install it on or before that date.

2.4 Rights-of-Way

The Interconnection Party shall grant to the Cooperative all rights-of-way and easements upon the Interconnection Party's property necessary to install, operate and maintain their Interconnection Facilities and to remove any portion of their Interconnection Facilities, including the metering equipment, owned by the Cooperative, and the Interconnection Party agrees to execute such deeds and other documents as the Cooperative may require to enable it to record such rights-of-way and easements, which deeds and other documents may provide, if the Interconnection Party so desires, for appropriate reversion or reconveyance of the property interests to the Interconnection Party upon termination of this Agreement if such Interconnection Facilities are not then being used to receive or deliver energy from or to anyone other than the Interconnection Party.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten (10) years from the Effective Date and shall be automatically renewed for each successive one (1)-year period thereafter, unless terminated earlier in accordance with Section 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

3.3.1 The Interconnection Party may terminate this Agreement at any time by giving the Cooperative thirty (30) Business Days written notice and physically and permanently disconnecting the Generating Facility from the Cooperative's System.

3.3.2 The Cooperative may terminate this Agreement for failure to comply with the requirements of Article 7.1.2 or Article 7.1.3.

3.3.3 Either Party may terminate this Agreement after Default pursuant to Article 7.6.

3.3.4 Upon termination of this Agreement, the Generating Facility will be disconnected from the Cooperative's System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.

3.3.5 The termination of this Agreement shall not relieve either Party of its liabilities and obligations owed or continuing at the time of the termination, including any remaining term requirements for payment of Charges that are billed under a monthly payment option as prescribed in Article 6.

3.3.6 This provisions of this Article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Cooperative Practice.

3.4.1 Isolating or Disconnecting the Generating Facility

The Cooperative may isolate the Interconnection Party's premises and/or Generating Facility from the Cooperative's System when necessary in order to construct, install, repair, replace, remove, investigate or inspect any of the Cooperative's equipment or part of Cooperative's System; or if the Cooperative determines that isolation of the Interconnection Party's premises and/or Generating Facility from the Cooperative's System is necessary because of emergencies, forced outages, force majeure or compliance with prudent electrical practices. Whenever feasible, the Cooperative shall give the Interconnection Party reasonable notice of the isolation of the Interconnection Party's premises and/or Generating Facility from the Cooperative's System. Notwithstanding any other provision of this Agreement, if at any time the Cooperative determines that the continued operation of the Generating Facility may endanger either (1) the Cooperative's personnel or other persons or property or (2) the integrity or safety of the Cooperative's System, or otherwise cause unacceptable power quality problems for other electric consumers, the Cooperative shall have the right to isolate the Interconnection Party's premises and/or Generating Facility from the Cooperative's System. IT IS AGREED THAT COOPERATIVE SHALL HAVE NO LIABILITY FOR ANY LOSS OF SALES OR OTHER DAMAGES, INCLUDING ALL PUNITIVE AND CONSEQUENTIAL DAMAGES FOR THE LOSS OF BUSINESS OPPORTUNITY, PROFITS, OR OTHER LOSSES, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE, FOR THE ISOLATION OF MEMBER'S PREMISES AND/OR DISTRIBUTED RESOURCE FROM COOPERATIVE'S SYSTEM PER THIS AGREEMENT.

3.4.2 Emergency Conditions

Under Emergency Conditions, the Cooperative may immediately suspend interconnection service and temporarily disconnect the Generating Facility. The Cooperative shall notify the Interconnection Party promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Party's operation of the Generating Facility. The Interconnection Party shall notify the Cooperative promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Cooperative's System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.3 Routine Maintenance, Construction, and Repair

The Cooperative may interrupt interconnection service or curtail the output of the Generating Facility and temporarily disconnect the Generating Facility from the Cooperative's System when necessary for routine maintenance, construction, and repairs on the Cooperative's System. The Cooperative shall provide the Interconnection Party with at least three (3) Business Days' notice prior to such interruption. The Cooperative shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Party.

3.4.4 Forced Outages

During any forced outage, the Cooperative may suspend interconnection service to effect immediate repairs on the Cooperative's System. The Cooperative shall use Reasonable Efforts to provide the Interconnection Party with prior notice. If prior notice is not given, the Cooperative shall, upon request, provide the Interconnection Party written documentation after the fact explaining the circumstances of the disconnection.

3.4.5 Adverse Operating Effects

The Cooperative shall notify the Interconnection Party as soon as practicable if, based on Good Cooperative Practice, operation of the Generating Facility may cause disruption or deterioration of service to other members served from the same electric system, or if operating the Generating Facility could cause damage to the Cooperative's System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Party upon request. If, after notice, the Interconnection Party fails to remedy the adverse operating effect within a reasonable time, the Cooperative may disconnect the Generating Facility. The Cooperative shall provide the Interconnection Party with at least three (3) Business Days' notice of such disconnection, unless the provisions of Section 3.4.1 apply.

3.4.6 Failure to Maintain Compliance with Operating Requirements

The Cooperative may disconnect from the Cooperative's System any Generating Facility determined to be malfunctioning, or not in compliance with this Standard or Operating Requirements. The Interconnection Party must provide proof of compliance with this Agreement or Operating Requirements before the Generating Facility will be reconnected.

3.4.7 Modification of the Generating Facility

The Interconnection Party must receive written authorization from the Cooperative before making any Material Modification or any other change to the Generating Facility that may have a material impact on the safety or reliability of the Cooperative's System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Cooperative Practice. If the Interconnection Party makes such modification without the Cooperative's prior written authorization, the latter shall have the right to temporarily disconnect the Generating Facility.

3.4.8 Reconnection

The Parties shall cooperate with each other to restore the Generating Facility, Interconnection Facilities, and the Cooperative's System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Party shall pay for the cost of the Interconnection Facilities itemized in Appendix 2 of this Agreement. The Cooperative shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and

provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Party, such other entities, and the Cooperative.

- 4.1.2 The Interconnection Party shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Cooperative's Interconnection Facilities.

4.2 Distribution Upgrades

The Cooperative shall design, procure, construct, install, and own the Distribution Upgrades described in Appendix 6 of this Agreement. If the Cooperative and the Interconnection Party agree, the Interconnection Party may construct Distribution Upgrades that are located on land owned by the Interconnection Party. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Party.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this Article 5 shall apply unless the interconnection of the Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The owner of the Transmission System shall design, procure, construct, install, and own the Network Upgrades described in Appendix 6 of this Agreement. The cost of the Network Upgrades, including overheads, on-going operations, maintenance, repair, and replacement shall be borne by the Interconnection Party.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Interconnection Party shall pay one hundred percent (100%) of the cost for the required Interconnection Facilities, and any other charges as required in Appendix 2. The Interconnection Party shall pay one hundred percent (100%) of the cost for the required Upgrades and any other charges as required in Appendix 6. Upon receipt of one hundred percent (100%) of the foregoing pre-payment charges, the payment is not refundable due to cancellation of the Interconnection Request for any reason.

6.1.2 The Cooperative shall bill the Interconnection Party for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Party shall pay each bill within fifteen (15) calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.3 Within three (3) months of completing the construction and installation of the Cooperative's Interconnection Facilities and/or Upgrades described in the Appendices to this Agreement, the Cooperative shall provide the Interconnection Party with a final

accounting report of any difference between (1) the Interconnection Party's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Party's previous aggregate payments to the Cooperative for such facilities or Upgrades. If the Interconnection Party's cost responsibility exceeds its previous aggregate payments, the Cooperative shall invoice the Interconnection Party for the amount due and the Interconnection Party shall make payment to the Cooperative within fifteen (15) calendar days. If the Interconnection Party's previous aggregate payments exceed its cost responsibility under this Agreement, the Cooperative shall refund to the Interconnection Party an amount equal to the difference within thirty (30) calendar days of the final accounting report.

- 6.1.4 The Cooperative shall bill the Interconnection Party for the costs associated with operating, maintaining, repairing, and replacing the Cooperative's System Upgrades, as set forth in Appendix 6 of this Agreement. The Cooperative shall bill the Interconnection Party for the cost of commissioning and inspection of the Interconnection Party's Interconnection Facilities including the costs for on-going operations, maintenance, repair, and replacement of the Cooperative's Interconnection Facilities under a Cooperative rate schedule, tariff, rider, or service regulation providing for extra facilities or additional facilities charges, as set forth in Appendix 2 of this Agreement, such monthly charges to continue throughout the entire life of the interconnection.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Appendix 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) request appropriate amendments to Appendix 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) it will suffer significant uncompensated economic or operational harm from the delay, (2) the delay will materially affect the schedule of another Interconnection Party with subordinate Queue Position, (3) attainment of the same milestone has previously been delayed, or (4) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted, notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least twenty (20) Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Cooperative's Interconnection Facilities and Upgrades, the Interconnection Party shall provide the Cooperative, at the Interconnection Party's option, a guarantee, surety bond, letter of credit or other form of security that is reasonably acceptable to the Cooperative. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Cooperative's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Cooperative under this Agreement during its term. In addition:

- 6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Cooperative, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Party, up to an agreed-to maximum amount.

- 6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Cooperative and must specify a reasonable expiration date.
- 6.3.3 The Cooperative may waive the security requirements if it determines that the financial risks involved are de minimus, or if the Cooperative's policies allow the acceptance of an alternative showing of credit-worthiness from the Interconnection Party.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

- 7.1.1 The Interconnection Party shall notify the Cooperative of the pending sale of an existing Generating Facility in writing. The Interconnection Party shall provide the Cooperative with information regarding whether the sale is a change of ownership of the Generating Facility to a new legal entity, or a change of control of the existing legal entity.
- 7.1.2 The Interconnection Party shall promptly notify the Cooperative of the final date of sale and transfer date of ownership in writing. The purchaser of the Generating Facility shall confirm to the Cooperative the final date of sale and transfer date of ownership in writing and submit an Interconnection Request requesting transfer of control or change of ownership together with the applicable change of ownership fee.
- 7.1.3 This Agreement shall not survive the transfer of ownership of the Generating Facility to a new legal entity owner. The new owner must complete a new Interconnection Request and submit it to the Cooperative within twenty (20) Business Days of the transfer of ownership or the Cooperative's Interconnection Facilities shall be removed or disabled and the Generating Facility disconnected from the Cooperative's System. The Cooperative shall not study or inspect the Generating Facility unless the new owner's Interconnection Request indicates that a Material Modification has occurred or is proposed.
- 7.1.4 This Agreement shall survive a change of control of the Generating Facility's legal entity owner, where only the contact information in the Interconnection Agreement must be modified. The new owner must complete a new Interconnection Request and submit it to the Cooperative within twenty (20) Business Days of the change of control and provide the new contact information. The Cooperative shall not study or inspect the Generating Facility unless the new owner's Interconnection Request indicates that a Material Modification has occurred or is proposed.
- 7.1.5 The Interconnection Party shall have the right to assign this Agreement, without the consent of the Cooperative, for collateral security purposes to aid in providing financing for the Generating Facility, provided that the Interconnection Party will promptly notify the Cooperative of any such assignment. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof.
- 7.1.6 Any attempted assignment that violates this Article 7 is void and ineffective.

7.2 Limitation of Liability

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, special, incidental, consequential, or punitive damages of any kind, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 Each Party shall at all times indemnify, defend, and hold 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 failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.2 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.3 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.4 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

Neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

7.5.1 As used in this Article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (“Affected Party”) shall promptly notify the other Party, either orally or in writing, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Article 7.6.2, the defaulting Party shall have seven (7) Business Days from receipt of the Default notice within which to cure such Default.

7.6.2 If a Default is not cured as provided in this Article, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Article will survive termination of this Agreement.

Article 8. Insurance

8.1 The Interconnection Party shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. This insurance shall be primary for all purposes. The Interconnection Party shall provide certificates evidencing this coverage as required by the Cooperative. Such insurance shall be obtained from an insurance provider authorized to do business in South Carolina. The Cooperative reserves the right to refuse to establish or continue the interconnection of the Generating Facility with the Cooperative's System, if such insurance is not in effect.

8.1.1 For an Interconnection Party that is a residential member of the Cooperative proposing to interconnect a Generating Facility no larger than 20 kW, the required coverage shall be a standard homeowner's insurance policy with liability coverage in the amount of at least \$100,000 per occurrence.

8.1.2 For an Interconnection Party that is a non-residential member of the Cooperative proposing to interconnect a Generating Facility larger than 20 kW but not larger than 100 kW, the required coverage shall be comprehensive general liability insurance with coverage in the amount of at least \$300,000 per occurrence.

- 8.1.3 For an Interconnection Party that is a non-residential member of the Cooperative proposing to interconnect a Generating Facility greater than 100 kW but not larger than 1 MW, the required coverage shall be comprehensive general liability insurance with coverage in the amount of at least \$1,000,000 per occurrence.
- 8.2 The Cooperative agrees to maintain general liability insurance or self-insurance consistent with the Cooperative's commercial practice.
- 8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Party shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
 - 9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
 - 9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
 - 9.2.3 All information pertaining to a project will be provided to the new owner in the case of a change of control of the existing legal entity or a change of ownership to a new legal entity.

Article 10. Disputes

- 10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this Article.
- 10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3 Each Party agrees to conduct all negotiations in good faith.

- 10.4 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.

Article 11. Miscellaneous

11.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of South Carolina, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

11.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

11.3 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, their successors in interest and where permitted, their assigns.

11.4 Waiver

11.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

11.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Party shall not constitute a waiver of the Interconnection Party's legal rights to obtain an interconnection from the Cooperative. Any waiver of this Agreement shall, if requested, be provided in writing.

11.5 Entire Agreement

This Agreement, including all Appendices, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

11.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

11.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

11.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

11.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Generating Facility or the Interconnection Facilities, which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four (24) hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

11.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

11.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Cooperative be liable for the actions or inactions of the Interconnection Party or its subcontractors with respect to obligations of the Interconnection Party under this Agreement. Any obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

11.11.2 The obligations under this Article will not be limited in any way by any limitation of subcontractor's insurance.

11.12 Reservation of Rights

Nothing in this Agreement shall limit the rights of the Parties except to the extent that the Parties otherwise agree as provided herein.

Article 12. Notices

12.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Party:

As provided in the Interconnection Party Information on Page 1 of this Agreement.

If to the Cooperative:

Edisto Electric Cooperative, Inc.
ATTN: President & Chief Executive Officer
896 Calhoun Street
Bamberg, SC 29003
Phone: 803- 245-5141
Fax: 803-245-0188

12.2 Billing and Payment

Billings and payments shall be sent to the addresses set forth above, unless otherwise specified by a party in writing.

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

EDISTO ELECTRIC COOPERATIVE, INC.

Signed: _____
Name: _____
Title: _____
Date: _____

INTERCONNECTION PARTY

Signed: _____
Name: _____
Title: _____
Date: _____

**Interconnection Agreement
Appendix 1**

Glossary of Terms

See Glossary of Terms, Attachment 1 to the Cooperative's *Standard Generator Interconnection Procedures, Forms, and Agreements*.

**Interconnection Agreement
Appendix 2**

**Description and Costs of the Generating Facility,
Interconnection Facilities, and Metering Equipment**

Equipment, including the Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Party, the Cooperative, or the Transmission Owner. The Cooperative will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

**Interconnection Agreement
Appendix 3**

**One-line Diagram Depicting the Generating Facility, Interconnection
Facilities, Metering Equipment, and Upgrades**

This Agreement will incorporate by reference the one-line diagram submitted by the Interconnection Party on _____, dated _____, with file name “_____” as part of the Interconnection Request, or as subsequently updated and provided to the Cooperative.

**Interconnection Agreement
 Appendix 4**

Milestones

Requested Upgrade In-Service Date: _____

Requested Interconnection Facilities In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

The build-out schedule does not include contingencies for deployment of Cooperative personnel to assist in outage restoration efforts on the Cooperative’s System. Consequently, the Requested In-Service Date may be delayed to the extent outage restoration work interrupts the design, procurement and construction of the requested facilities.

	Milestone	Completion Date	Responsible Party
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

AGREED TO BY:

For the Cooperative: _____ Date _____

Print Name: _____

For the Interconnection Party _____ Date _____

Print Name: _____

**Interconnection Agreement
Appendix 5**

**Additional Operating Requirements for the Cooperative's
System and Affected Systems Needed to Support
the Interconnection Party's Needs**

The Cooperative shall also provide requirements that must be met by the Interconnection Party prior to initiating parallel operation with the Cooperative's System. The Interconnection Party shall maintain compliance with all applicable Operating Requirements during parallel operation with the Cooperative's System.

**Interconnection Agreement
Appendix 6**

**Cooperative's Description of its Upgrades
and Best Estimate of Upgrade Costs**

The Cooperative shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Cooperative shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.