

Swisher Electric Cooperative, Inc.

Distributed Generation Procedures & Guidelines Manual for Members

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GENERAL

In order to receive service from Swisher Electric Cooperative, referred to hereinafter as "Cooperative", a customer must join or become a "Member" of the Cooperative. Customers will be referred to hereinafter as "Members." For more information about the cooperative membership application process, including any applicable membership fees or deposits, contact the Cooperative to request new member information.

It is the intent of the Cooperative to allow Members to install Distributed Generation (DG), provided the Member's DG facility does not adversely affect the Cooperative. The Member must conduct his/her own analysis to determine the economic feasibility of a DG operation.

A DG facility that is not connected to the Cooperative's system in any way is known as "stand-alone" or "isolated" DG. The Member may operate a DG facility in stand-alone or isolated fashion if such DG facility does not adversely affect the Cooperative's system. A DG facility connected in any way to the Cooperative's system shall be considered as in "parallel." For purposes of this Manual, a DG facility is considered operating in "parallel" anytime it is connected to the Cooperative's system in any way, even if the Member does not intend to export power. All provisions of this Manual shall apply to parallel operation of DG facilities as so defined.

This Manual is not a complete description or listing of all laws, ordinances, rules and regulations, nor is this Manual intended to be an installation or safety manual. The Member requesting to interconnect a DG facility to the Cooperative's system is responsible for and must follow, in addition to all provisions of this Manual, the Cooperative's Rules and Regulations and Tariffs for Electric Service, the Cooperative's Line Extension Policy, the Policies and Procedures of the Cooperative's power supplier where applicable, the Policies and Procedures of the Cooperative's transmission service provider where applicable, the current IEEE 1547 Standard Guide for Distributed Generation Interconnection (a copy is on file at the Cooperative for inspection along with information so the Member may obtain his/her own copy), other applicable IEEE standards, applicable ANSI standards, including ANSI C84.1 Range A and any other applicable governmental and regulatory laws, rules, ordinances or requirements. All legal, technical, financial, etc. requirements in the following sections of this Manual must be met prior to interconnection of the DG facility to the Cooperative's system.

A Member may serve all load behind the meter at the location serving the DG facility but will not be allowed to serve multiple meters, multiple consuming facilities or multiple members.

DG facilities larger than 10 MW are not covered by this Manual and will be considered by the Cooperative on a case-by-case basis.

I. DETERMINE THE CATEGORY OF DISTRIBUTED GENERATION FACILITY

1) Connection Level Category

a) Connected to the Cooperative's system

The Member requests and/or the Member's DG facility requires connection to the Cooperative's system. All provisions of this manual cover this category.

2) Power Export Category

a) Parallel – no power export

The Member operates a DG facility connected in any way to the Cooperative system but with no intention to export power.

b) Parallel – power generated to be both consumed and exported

The Member operates a DG facility connected in any way to the Cooperative's system designed primarily to serve the Member's own load but with the intention to export excess power.

Facilities above 10MW of connected generation - Not considered under this manual

II. MEMBER'S INITIAL REQUIREMENTS

1) Notification

- a) The Member must meet all the Cooperative's membership and service requirements in addition to the requirements in this Manual. The Member must be in good financial standing on all accounts served by the Cooperative for the past 12 consecutive months.
- b) Any Member owning or operating a DG facility in parallel with the Cooperative's system must notify the Cooperative of the existence, location and category of the DG facility.

2) Service Request

- a) In advance of request for an interconnection, the Member must contact the Cooperative and complete the "Cooperative Agreement for Interconnection and Parallel Operation of Distributed Generation."
- b) DG facilities must submit the Agreement Long Form.
- c) A separate form must be submitted for each facility.

3) Submit a DG Plan

- a) As a part of the application, the Member shall submit a plan detailing the electrical design, interconnection requirements, size, and operational plans for the DG facility (the "DG plan"). Either at the time of submission or at any time during the review process, the Cooperative may require additional information or may require the DG plan to be prepared by a Professional Engineer registered in the state of Texas.
- b) Prior to review of the application and DG plan by the Cooperative, the Member shall pay an application fee as indicated below. A separate fee must be submitted for each DG facility.

DG Size	Application Fee	Facility Inspection Fee
< 10 MW	\$25.00	\$100.00

III. COOPERATIVE REVIEW PROCESS

1) Plan Review Process

- a) The Cooperative will review the application and accompanying documents, plans, specifications, and other information provided and will return an interconnection analysis to the Member within 60 days of receipt of final plans and specifications.
- b) Technical review will be consistent with guidelines established by the most recent IEEE Standard 1547 Guide for Distributed Generation Interconnection. The Member may be required by the Cooperative to provide proof that their DG Facilities have been tested and certified by applicable IEEE guidelines and all equipment is ASTM certified for the use intended.
- c) If corrections or changes to the plans, specifications and other information are to be made by the Member, the 60-day period may be reinitialized when such changes or corrections are provided to the Cooperative. In addition, any changes to the site or project requiring new analysis by the Cooperative may require additional cost and a new DG plan. The cost will be determined by the Cooperative and shall be paid by the Member.
- d) The Member acknowledges and agrees that any review or acceptance of such plans, specifications and other information by the Cooperative shall not impose any liability on the Cooperative and does not guarantee the adequacy of the Member's equipment or DG facility to perform its intended function. The Cooperative disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost-effectiveness, safety, durability, or reliability of such DG installations.
- e) In the event it is necessary at the time of initial interconnection or at some future time for the Cooperative to modify electric delivery systems in order to serve the Member's DG facilities and/or purchase or continue to purchase the output of the Member's DG facilities, or because the quality of the power provided by the Member's DG adversely affects the Cooperative's delivery system, the Member will be responsible to pay the Cooperative in advance for all costs of modifications required for the interconnection of the Member's DG facilities.

IV. SALES TO AND PURCHASES FROM A DG FACILITY

1) For all DG where the Member desires to export power

- a) All DG facilities shall be billed under one of the Cooperative's existing rate tariffs.
- b) All sales of electric power and energy by the Cooperative to a Member shall be consistent with the applicable retail rate schedule established by the Cooperative as if there were no DG installation at the Member's premises, including any charges in the Cooperative's DG tariff rider.
- c) The Member shall pay all rates and charges so listed.
- d) The Cooperative is under no obligation to purchase power from a DG Facility.
- e) The Customer shall be subject to any market charges related to the Customer's DG facility, including but not limited to Scheduling, Dispatching and Energy imbalance.
- f) For power produced in excess of on-site requirements, the Member will be compensated by netting the Member's kWh generation against the Member's kWh consumption, referred to as "net metering." The Cooperative shall bill the Member for the excess energy supplied by the Cooperative over and above the energy supplied by the Member during each billing period according to the Cooperative's applicable retail rate schedule.
- g) When the energy supplied by the Member exceeds the energy supplied by the Cooperative during a billing period, the monthly charge and/or minimum bill of the retail rate schedule shall be billed by the Cooperative in addition to the monthly metering charge, and the excess energy shall be provided at no charge to the Cooperative
- h) The Member shall sign an approved contract for interconnection service with the Cooperative.
- i) In addition to all other charges, the Cooperative may bill the Member for any additional facilities charges as determined by the Cooperative and appended to the Interconnection Agreement.

2. The Cooperative shall not be required to make any energy purchases that will cause the Cooperative to violate any existing contract or the all power requirements contract with its power supplier(s).

V. MEMBER'S RESPONSIBILITY PRIOR TO OPERATION

1) Line Extension and Modifications to Cooperative Facilities

- a) As a part of the interconnection analysis performed by the Cooperative, the Member will be provided with an estimate of any line extension or other cost to be incurred in providing electric delivery service to the Member's DG facility.
- b) Notwithstanding the Cooperative's line extension policy, the Member shall pay in advance the full cost of the construction of any transmission, substation, distribution, transformation, protective, or other facilities or equipment which, at the sole discretion of the Cooperative is required to serve the Member's DG facility.
- c) In the event it is necessary at the time of initial interconnection or at some future time for the Cooperative to modify electric delivery systems in order to serve the Member's DG facilities and/or purchase or continue to purchase the Member's output, or because the quality of the power provided by the Member's DG adversely affects the Cooperative delivery system, the Member will reimburse the Cooperative for all costs of modifications required for the interconnection of the Member's DG facilities.
- d) In the event the Cooperative at any time in the future changes primary voltage of facilities serving the DG facility such that metering equipment, transformers and/or any other Member-owned equipment must be changed to continue receiving service at the new primary voltage level, the full cost of the change will be borne by the Member.
- e) In all cases, the Member shall pay the full cost of the installation of a visible load break disconnect switch by and to the sole specification of the Cooperative. The switch will be readily accessible to Cooperative personnel and of a type that can be secured in an open position by a Cooperative lock.

2) Applicable Regulations

The DG facility shall be installed and operated subject to and in accordance with the terms and conditions set forth in the Cooperative's rules, regulations, bylaws, rates and tariffs, as amended from time to time, and, if applicable, approved by the Cooperative's board of directors, which are incorporated herein by reference, and in compliance with all applicable federal, state and local laws, regulations, zoning codes, building codes, safety rules, environmental restrictions, ordinances and regulations, including without limitation, the most recent IEEE Standard 1547 Guide for Distributed Generation Interconnection, applicable ANSI standards, including ANSI C84.1 Range A, and in accordance with industry standard prudent engineering practices.

3) Contracts

a) Interconnection Contract

The Member will sign and deliver an Agreement for Interconnection to the Cooperative substantially in the form as shown in the COOPERATIVE AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION included in this Manual.

b) Purchase Power Contract (subject to the terms of existing all power requirements contract)

(1) DG facility \leq 50 KW, net metering, as outlined in the Cooperative Tariff 202.8

(2) DG facility $>$ 50 KW, excess energy purchased by Cooperative at avoided cost.

4) Initial Interconnection

a) Upon satisfactory completion of the review process and execution of required agreements as outlined in this Manual, the Cooperative will begin installation of the interconnection of DG facilities. The interconnection will be completed as soon as practical after completion of the review process and execution of the necessary agreements/contracts. After completion of interconnection requirements and prior to initiation of service, the Cooperative will conduct a final inspection of the facilities and interconnection to the Cooperative's system. Upon satisfactory final inspection by Cooperative representatives and payment of all associated inspection fees by the Member, the Cooperative will initiate service to the Member.

b) The Cooperative's review process and final inspection is intended to safeguard the Cooperative's facilities and personnel. The Member acknowledges and agrees that any review or acceptance of such plans, specifications and other information by the Cooperative shall not impose any liability on the Cooperative and does not guarantee the adequacy of the Member's equipment or DG facility to perform its intended function. The Cooperative disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost-effectiveness, safety, durability, or reliability of such DG installations.

VI. REFUSAL TO INTERCONNECT SERVICE OR DISCONNECTION OF INTERCONNECTION SERVICE

The Cooperative may, at its sole discretion, prevent the interconnection or disconnect the interconnection of DG facilities due to reasons such as safety concerns, reliability issues, power quality issues, breach of interconnection contract or any other reasonable issue. Any disconnection under these terms may be without prior notice.

VII. OPERATION OF PARALLEL FACILITY

The purpose of this section is to outline the Cooperative's operational requirements for DG facilities operated in parallel with the Cooperative's system and is not intended to be a complete listing of all operational, regulatory, safety and other requirements.

1) Ownership of facilities

a) The Member shall own and be solely responsible for all expense, installation, maintenance and operation of all facilities, including all power generating facilities, at and beyond the point of delivery as defined in the Cooperative's tariffs.

b) At its sole discretion, the Cooperative may locate cooperative owned metering equipment and transformers past the point of delivery.

2) Self-Protection of DG Facilities

a) The Member will furnish, install, operate and maintain in good order and repair all equipment necessary for the safe operation of DG facilities operated in parallel with the Cooperative system.

b) The Member's equipment will have capability to both establish and maintain synchronism with the Cooperative system and to automatically disconnect and isolate the DG facility from the Cooperative system.

c) The Member's DG facility will be designed, installed and maintained to be self-protected from normal and abnormal conditions on the Cooperative system including, but not limited to, overvoltage, under voltage, over current, frequency deviation, and faults. Self-protection will be compatible with all applicable Cooperative protection arrangements and operating policies.

d) Additional protective devices and/or functions may be required by the Cooperative when, in the sole judgment of the Cooperative, the DG facility installation and/or the Cooperative system characteristics so warrant.

3) Quality of service

- a) The Member's DG facility will generate power at the nominal voltage of the Cooperative's system at the Member's delivery point as defined by ANSI C84.1 Range A.
- b) Member's DG installation will generate power at a frequency within the tolerances as defined by IEEE 1547.
- c) Member's DG facility shall produce power at a minimum power factor of at least 95% or shall use power factor correction capacitors to ensure at least a 95% power factor.
- d) Member's DG facility shall be in accordance with the power quality limits specified in IEEE 519.
- e) The overall quality of the power provided by the Member's DG facility including, but not limited to, the effects of harmonic distortion, voltage regulation, voltage flicker, switching surges and power factor, will be such that the Cooperative system is not adversely affected in any manner.
- f) In the event that the adverse effects are caused in whole or in part by the Member's DG facility, the Member will correct the cause of such effects within 30 days of written notice of defect or shall be disconnected from the Cooperative system.

4) Safety Disconnect

- a) The customer will furnish and install a manual disconnect device that has a visual break that is appropriate to the voltage level (a disconnect switch, a draw-out breaker, or fuse block), and is accessible to the utility personnel, and capable of being locked in the open position.
- b) The switch will be physically located so it is readily accessible to Cooperative personnel in a location acceptable to both the Member and Cooperative.
- c) The switch shall be a type that can be secured in an open position by a lock owned by the Cooperative. If the Cooperative has locked the disconnect switch open, the Member shall not operate or close the disconnect switch.
- d) The Cooperative shall have the right to lock the switch open when, in the judgment of the Cooperative:
 - 1) It is necessary to maintain safe electrical operating and/or maintenance conditions,
 - 2) The Member's DG adversely affects the Cooperative system, or
 - 3) There is a system emergency or other abnormal operating condition warranting disconnection.

e) The Cooperative reserves the right to operate the disconnect switch for the protection of the Cooperative system even if it affects the Member's DG facility. In the event the Cooperative opens and/or closes the disconnect switch:

(1) The Cooperative shall not be responsible for energization or restoration of parallel operation of the DG facility.

f) The Member will not bypass the disconnect switch at any time for any reason

g) Signage shall be placed by the Cooperative and located at the disconnect indicating the purpose of the switch along with contact names and numbers of both the Member and the Cooperative.

h) Members with DG facilities as defined in this Manual which are solely for the purpose of emergency backup or peak shaving without intent to export power shall not operate their DG facilities at any time unless visibly disconnected from the Cooperative system. At its sole discretion, the Cooperative may require Member to install at his/her own expense an interlocking switch for the purpose of ensuring the Member's facilities do not operate in parallel with the Cooperative's facilities.

i) Should the Cooperative lose power serving the Member's DG facilities for any reason, Members with DG facilities shall not operate their DG facilities unless visibly disconnected from the Cooperative system.

5) Access

a) Persons authorized by the Cooperative will have the right to enter the Member's property for purposes of testing, operating the disconnect switch, reading or testing the metering equipment, maintaining right-of-way or other DG facility equipment and/or Cooperative service requirement. Such entry onto the Member's property may be without notice.

b) If the Member erects or maintains locked gates or other barriers, the Member will furnish the Cooperative with convenient means to circumvent the barrier for full access for the above-mentioned reasons.

6) Liability for Injury and Damages

(a) The Member assumes full responsibility for electric energy furnished at and past the point of interconnection and shall indemnify the Cooperative and/or its Power Supplier against and hold the Cooperative and/or its Power Supplier harmless from all claims for both injuries to persons, including death resulting there from, and damages to property occurring upon the premises owned or operated by Member arising from electric power and energy delivered by the Cooperative or in any way arising directly or indirectly from the Member's DG facility.

(b) The Cooperative and/or its Power Supplier shall not be liable for either direct or consequential damages resulting from failures, interruptions, or voltage and waveform fluctuations occasioned by causes reasonably beyond the control of the Cooperative and/or its Power Supplier including, but not limited to, acts of God or public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court or judge granted in any bona fide adverse legal proceeding or action, or any order of any commission, tribunal or governmental authority having jurisdiction. ALL PROVISIONS NOTWITHSTANDING, IN NO EVENT SHALL THE COOPERATIVE BE LIABLE TO THE MEMBER FOR ANY INTEREST, LOSS OF ANTICIPATED REVENUE, EARNINGS, PROFITS, OR INCREASED EXPENSE OF OPERATIONS, LOSS BY REASON OF SHUTDOWN OR NON-OPERATION OF MEMBER'S PREMISES OR FACILITIES FOR ANY INDIRECT, INCIDENTAL, OR CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES ARISING OUT OF OR RELATED, IN WHOLE OR PART, TO THIS AGREEMENT. The Cooperative shall not be liable in any event for consequential damages.

(c) The Member is solely responsible for ensuring the DG facility complies with all applicable regulations including, but not limited to, laws, regulations, ordinances, Cooperative and Cooperative Power Supplier tariffs, policies and directives.

7) Metering/Monitoring

a) The Cooperative shall specify, install and own all metering equipment.

b) All DG facilities, ≤ 50 KW will be net metered by one of the following methods, at the sole discretion of the Cooperative.

(1) Installing a single meter which runs forward and backward or

(2) Installing meters, capable of measuring the flow of energy in different directions and netting the energy consumption between the two directions to determine the net monthly flow of energy.

8) Notice of Change in Installation

- a) The Member will notify the Cooperative in writing thirty (30) days in advance of making any change affecting the characteristics, performance, or protection of the DG facility.
- b) If any modification undertaken by the Member will create or has created conditions which may be unsafe or adversely affect the Cooperative system, the Member shall immediately correct such conditions or be subject to immediate disconnection from the Cooperative system.
- c) Any change in the operating characteristics of the DG facility including, but not limited to, size of generator, total facility capacity, nature of facility, fuel source, site change, hours of operation, or type used, may require a new application process, including, but not limited to, application form, application fee, DG plan and DG plan review by the Cooperative.

9) Testing and Record Keeping

- a) The Member will test all aspects of the protection systems up to and including tripping of the generator and interconnection point at start-up and thereafter as required. Testing will verify all protective set points and relay/breaker trip timing and shall include procedures to functionally test all protective elements of the system. The Cooperative may witness the testing.
- b) The Member will maintain records of all maintenance activities, which the Cooperative may review at reasonable times.
- c) For systems greater than 500 kW, a log of generator operations shall be kept. At a minimum, the log shall include the date, generator time on, generator time off, and megawatt and megavar output. The Cooperative may review such logs at reasonable times.

10) Disconnection of Service

The Cooperative may, at its sole discretion, discontinue the interconnection of DG installations due to reasons such as safety concerns, reliability issues, power quality issues, breach of interconnection contract or any other reasonable issue.

11) Compliance with Laws, Rules and Tariffs

The DG installation owned and installed by the Member shall be installed and operated subject to and in accordance with the terms and conditions set forth in the Cooperative's rules, regulations, bylaws, rates and tariffs, as amended from time to time, and, if applicable, approved by the Cooperative's board of directors, which are incorporated herein by reference, and in compliance with all applicable federal, state and local laws, regulations, zoning codes, building codes, safety rules, environmental restrictions, ordinances and regulations in accordance with industry standard prudent engineering practices.

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

SWISHER ELECTRIC COOPERATIVE, INC.

MEMBER:

By: _____

By: _____

Title: _____

Printed: _____

Date: _____

Date: _____

COOPERATIVE AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION FACILITY

LONG FORM CONTRACT

This Interconnection Agreement ("Agreement") is made and entered into this _____ day of _____, 20____, by SWISHER ELECTRIC COOPERATIVE, INC. ("Cooperative"), a corporation organized under the laws of the State of Texas, and _____ ("Member/DG Owner"), each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties." In consideration of the mutual covenants set forth herein, the Parties agree as follows:

The provisions of the Cooperative's Distributed Generation Manual shall be considered as a part of this contract.

1. Scope of Agreement -- This Agreement is applicable to conditions under which the Cooperative and the Member/DG Owner agree that one or more generating facilities (described in Exhibit A) owned by the Member/DG Owner of _____ kW or less, to be interconnected at _____ kV or less ("Facilities") may be interconnected to the Cooperative's electric power distribution system ("System").

2. Establishment of Point of Interconnection - The point where the electric energy first leaves the wires or facilities owned by the Cooperative and enters the wires or facilities provided by Member/DG Owner is the "Point of Interconnection." Cooperative and Member/DG Owner agree to interconnect the Facilities at the Point of Interconnection in accordance with the Cooperative's Rules and Regulations and DG Manual relating to interconnection of Distributed Generation (the "Rules") and as described in the attached Exhibit A. The interconnection equipment installed by the Member ("Interconnection Facilities") shall be in accordance with the Rules as well.

3. Responsibilities of Cooperative and Member/DG Owner for installation, operation and maintenance of facilities, Member/DG Owner will, at its own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for, its Facilities, unless otherwise specified on Exhibit A. Member/ DG Owner shall conduct operations of its Facilities in compliance with all aspects of the Rules, and Cooperative shall conduct operations of its electric distribution facilities in compliance with all aspects of the Rules, or as further described and mutually agreed to in the applicable Facilities Schedule. Maintenance of Interconnection Facilities shall be performed in accordance with the applicable manufacturers' recommended maintenance schedule. The Member/DG Owner agrees to cause its Interconnection Facilities to be constructed in accordance with specifications equal to or better than those provided by the National Electrical Safety Code and the National Electrical Code, both codes approved by the American National Standards Institute, in effect at the time of construction.

The Member/DG Owner covenants and agrees to cause the design, installation, maintenance, and operation of, its Interconnection Facilities to reasonably minimize the likelihood of a malfunction or other disturbance, damaging or otherwise affecting or impairing the Cooperative's distribution system. Member/DG Owner shall comply with all applicable laws, regulations, zoning codes, building codes, safety rules and environmental restrictions applicable to the design, installation and operation of its facilities.

Cooperative will notify Member/DG Owner if there is evidence that the facilities' operation causes disruption or deterioration of service to other members, or if the facilities' operation causes damage to the cooperative distribution system. Member/DG Owner will notify the Cooperative of any emergency or hazardous condition or occurrence with the Member/DG Owner's facilities, which could affect safe operation of the electrical distribution system.

4. Operator in Charge - The Cooperative and the Member/DG Owner shall each identify an individual (by name or title) who will perform as "Operator in Charge" of the facilities and their section of the Interconnection Facilities. This individual must be familiar with this Agreement as well as provisions of other agreements and any regulations that may apply.

5. Limitation of Liability and Indemnification

a. Notwithstanding any other provision in this Agreement, with respect to the Cooperative's provision of electric service to the Member/DG Owner and the services provided by the Cooperative pursuant to this Agreement, Cooperative's liability to Member/DG Owner shall be limited as set forth in the Cooperative's tariffs and terms and conditions for electric service, which are incorporated herein by reference.

b. Neither the Cooperative nor the Member/DG Owner shall be liable to the other Party for damages to facilities or equipment owned by either Party that is caused by any act or omission that is beyond such party's control; including but not limited to, any event that is a result of an act of God; an act of war, insurrection or riot; a curtailment, a law or order, a regulation or restriction by governmental, military, or lawfully established civilian authorities.

c. Notwithstanding Paragraph 5.b of this Agreement, the Member/DG Owner shall assume all liability for, and shall indemnify Cooperative for, any claims, losses, costs, and expenses of any kind or character to the extent that they result from Member/DG Owner's negligence or other wrongful conduct in connection with the design, construction or operation of the DG Facilities or Interconnection Facilities. Such indemnity shall include, but is not limited to, financial responsibility for (a) monetary losses; (b) reasonable costs and expenses of defending an action or claim; (c) damages related to death or injury; (d) damages to property; and (e) damages for the disruption of business. This paragraph does not create a liability on the part of the Member/DG Owner to the Cooperative or a third person but requires indemnification where such liability exists.

d. Cooperative and Member/DG Owner shall each be responsible for the safe installation, maintenance, repair and condition of their respective lines, wires, switches, or other equipment or property on their respective sides of the Point of Interconnection. The Cooperative, while retaining the right to inspect, does not assume any duty of inspecting the Member/DG Owner's lines, wires, switches, or other equipment or property and will not be responsible, therefore. Member/DG Owner assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the Point of Interconnection.

e. For the mutual protection of the Member/DG Owner and the Cooperative, only with Cooperative prior written authorization are the connections between the Cooperative's service wires and the Member/DG Owner's service entrance conductors to be energized.

6. Design Reviews and Inspections - The Member/DG Owner shall provide to the Cooperative the following documentation and inspection results:

a. One-Line Diagram- The diagram shall include at a minimum, all major electrical equipment that is pertinent to understanding the normal and contingency operations of the DG Interconnection Facilities, including generators, switches, circuit breakers, fuses, protective relays and instrument transformers.

b. Testing Records- Testing of protection systems shall be limited to records of compliance with standard acceptance procedures and by industry standards and practices. These records shall include testing at the start of commercial operation and periodic testing thereafter.

7. Right of Access, Equipment Installation, Removal & Inspection - The Cooperative may send an employee, agent or contractor to the premises of the Member/DG Owner at any time whether before, during or after the time the Facilities first produces energy to inspect the Interconnection Facilities, and observe the DG Facility's installation, commissioning (including any testing), startup, and operation.

At all times Cooperative shall have access to Member/DG Owner's premises for any reasonable purpose in connection with the interconnection described in this Agreement, the Rules, or to provide service to its customers.

8. Confidentiality of Information - Unless compelled to disclose by judicial or administrative process, or by other provisions of law or as otherwise provided for in this Agreement, the Member/DG Owner and the Cooperative will hold in confidence any and all documents and information furnished by the other party in connection with this Agreement.

9. Prudent Operation and Maintenance Requirements - The Member/DG Owner shall operate and maintain its generation and interconnection facilities in accordance with industry standard prudent electrical practices. The said standards shall be those in effect at the time a Member/DG Owner executes an interconnection agreement with the Cooperative.

10. Disconnection of Unit – Member/DG Owner retains the option to disconnect its Facilities from the System once the Member/DG Owner notifies the Cooperative of its intent to disconnect by giving the Cooperative at least thirty (30) days' prior written notice. Such disconnection shall not be a termination of the agreement unless Member/DG Owner exercises rights under Section 13.

a. Member/DG Owner shall disconnect Facilities from the System upon the effective date of any termination under Section 13.

b. Subject to the Rules, for routine maintenance and repairs of the System, Cooperative shall provide Member/DG Owner with seven (7) business days' notice of service interruption.

c. Cooperative shall have the right to suspend service in cases where continuance of service to Member/DG Owner will endanger persons or property. During the forced outage of the System serving Member/DG Owner, Cooperative shall have the right to suspend service to effect repairs on the System, but the Cooperative shall use its efforts to provide the Member/DG Owner with reasonable prior notice.

11. Metering - Metering shall be accomplished as described in the Cooperative's DG Manual.

12. Insurance – Insurance shall be required as described in the Cooperative's DG Manual.

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/DG Owner may terminate this Agreement at any time by giving the Cooperative sixty days' written notice; (b) Cooperative may terminate upon failure by the Member/DG Owner to generate energy from the Facilities in parallel within six (6) months after completion of the interconnection; (c) either Party may terminate by giving the other Party at least thirty (30) days prior written notice that the other Party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of the Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) Cooperative may terminate by giving Member/DG Owner at least sixty (60) days' notice in the event that there is a material change in an applicable law, or any requirement of the Cooperative's wholesale electric suppliers or any transmission utility, independent system operator or regional transmission organization having responsibility for the operation of any part of the System.

14. Dispute Resolution - Each party agrees to attempt to resolve any and all disputes arising hereunder promptly, equitably and in good faith. If a dispute arises under this Agreement that cannot be resolved by the parties within forty-five (45) working days after written notice of the dispute, the parties agree to submit the dispute to mediation by a mutually acceptable mediator. The parties agree to participate in good faith in the mediation for thirty (30) days. If the parties are unsuccessful in resolving their dispute through mediation, then the dispute will be resolved by litigation filed in the state or federal courts for Swisher County, Texas.

15. Compliance with Laws, Rules and Tariffs - Both the Cooperative and the Member/DG Owner shall be responsible for complying with all applicable laws, rules and regulations, including but not limited to the laws of the State of Texas, and the Cooperative's DG Manual, Tariffs, Rules and Regulations, By-Laws and other governing documents. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the tariff schedules and rules of the Cooperative as applicable to the electric service provided by the Cooperative, which tariffs and rules are hereby incorporated into this Agreement by this reference. The Cooperative shall have the right to publish changes in rates, classification, service or rule, with the proper notification to all Cooperative Members and DG Owners.

16. 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 separate and independent, and the remainder of this Agreement shall remain in full force and effect.

17. Amendment - This Agreement may be amended only upon mutual agreement of the Parties; which amendment will not be effective until reduced to writing and executed by the Parties.

18. Entirety of Agreement and Prior Agreements Superseded - This Agreement, including the Rules and all attached 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 not set forth or provided for herein or in the Member/DG Owner application, or other written information provided by the Member/DG Owner in compliance with the Rules. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.

19. Force Majeure -For the purposes of this Agreement, a Force Majeure event is any event:

(a) that is beyond the reasonable control of the affected party; and (b) that the affected party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent that they satisfy the preceding requirements: acts of war, 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 will keep the other party informed on a continuing basis as to 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 will be entitled to suspend or modify its performance of obligations under this Agreement but will use reasonable efforts to resume its performance as soon as possible.

20. Assignment - At any time during the term of this Agreement, the Member/DG Owner may assign this Agreement to a corporation, an entity with limited liability or an individual (the "Assignee"), provided that the Member/DG Owner obtains the consent of the Cooperative in advance of the assignment. The Cooperative's consent will be based on a determination that the Assignee is financially and technically capable to assume ownership and/or operation of the DG unit. The company or individual to which this Agreement is assigned will be responsible for the proper operation and maintenance of the unit and will be a party to all provisions of this Agreement.

21. Permits, Fees and Approvals - The Cooperative will have responsibility for the review, approval or rejection of the DG interconnection application. The approval process is intended to ensure that the implementation of the applicant's DG project will not adversely affect the safe and reliable operation of the Cooperative's System. The fees associated with the Application are listed in the most current fee schedule issued by the Cooperative. All fees are to be submitted in the form of a Bank Cashier's check along with the Application, unless other payment terms have been approved in advance by the Cooperative.

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

(a) If to Cooperative:

Swisher Electric Cooperative, Inc.
Attn: Member Records
401 SW 2nd Street
P.O. Box 67
Tulia, TX 79088

(b) If to Member/DG Owner:

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other, notwithstanding Section 17.

23. Invoicing and Payment - Invoicing and payment terms for services associated with this Agreement shall be consistent with applicable Rules of the Cooperative.

24. Limitations (No Third-Party Beneficiaries, Waiver, etc.) - 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. This Agreement may not be assigned by the Member/DG Owner without the prior written consent of the Cooperative as specified in Section 20. 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 to waive the obligations, rights, or duties imposed upon the Parties.

25. Headings - The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

26. 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.

EXHIBIT A

DESCRIPTION OF FACILITIES AND POINT OF INTERCONNECTION

Member/DG Owner will, at its 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. _____

[The following information is to be specified for each Point of Interconnection, if applicable]

1. Name:
2. Facilities location:
3. Delivery voltage:
4. 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 DG Owner/Operator:
9. Cost Responsibility:
10. Supplemental terms and conditions attached (check one): () Yes; () No
11. Cooperative rules for DG interconnection attached (check one): () Yes; () No

SWISHER ELECTRIC COOPERATIVE, INC.

[MEMBER/DG OWNER NAME]

BY: _____

BY: _____

TITLE: _____

PRINT: _____

DATE: _____

DATE: _____

SWISHER ELECTRIC COOPERATIVE

Application for Operation of Member-Owned Generation

This application should be completed as soon as possible and returned to the Cooperative Member Records representative in order to begin processing the request. See Distributed Generation Procedures and Guidelines Manual for Members for additional information.

INFORMATION: This application is used by the Cooperative to determine the required equipment configuration for the Member interface. Every effort should be made to supply as much information as possible.

PART 1

MEMBER/APPLICANT INFORMATION

Name: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Phone Number: _____

PROJECT DESIGN/ENGINEERING (as applicable)

Company: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Phone Number: _____ Representative: _____

ELECTRICAL CONTRACTOR (as applicable)

Company: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Phone Number: _____ Representative: _____

TYPE OF GENERATOR (as applicable)

Photovoltaic _____ Wind _____ Biomass _____ Turbine Other _____

ESTIMATED LOAD INFORMATION

The following information will be used to help properly design the Cooperative member interconnection. This information is not intended as a commitment or contract for billing purposes.

Total Site Load _____ (kW) Total DG Output _____ (kW)

Mode of Operation (check all that apply)

Isolated _____ Paralleling _____ Power Export _____

DESCRIPTION OF PROPOSED INSTALLATION AND OPERATION

Give a general description of the proposed installation, including when you plan to operate the generator:

PART 2

(Complete all applicable items. Copy this page as required for additional generators.)

SYNCHRONOUS GENERATOR DATA

Unit Number: _____ Total number of units with listed specifications on site: _____

Manufacturer: _____

Type: _____ Date of manufacture: _____

Serial Number (each): _____

Phases: Single ___ Three ___ R.P.M.: _____ Frequency (Hz): _____

Rated Output (for one unit): _____ Kilowatt _____ Kilovolt-Amper _____

Rated Power Factor (%): _____ Rated Voltage (Volts) _____ Rated Amperes: _____

Field Volts: _____ Field Amps: _____ Motoring power (kW): _____

PRIME MOVER (Complete all applicable items)

Unit Number: _____ Type: _____

Manufacturer: _____

Serial Number: _____ Date of manufacturer: _____

H.P. Rates: _____ H.P. Max.: _____ Inertia Constant: _____ lb.-ft²

GENERATOR TRANSFORMER (Complete all applicable items)

TRANSFORMER (between generator and utility system)

Generator unit number: _____ Date of manufacturer: _____

Manufacturer: _____

Serial Number: _____

High Voltage: _____ KV, Connection: delta wye, Neutral solidly grounded? _____

Low Voltage: _____ KV, Connection: delta wye, Neutral solidly grounded? _____

Transformer Impedance (Z): _____ % on _____ KVA base

Transformer Resistance (R): _____ % on _____ KVA base

Transformer Reactance (X): _____ % on _____ KVA base

Neutral Grounding Resistor (if applicable): _____

INVERTER DATA (if applicable)

Manufacturer: _____ Model: _____

Rate Power Factor (%): _____ Rated Voltage (Volts): _____ Rated Amperes: _____

Inverter Type (ferroresonant, step, pulse-width modulation, etc.): _____

Type commutation: forced line

Harmonic Distortion: Maximum Single Harmonic (%) _____

Maximum Total Harmonic (%) _____

Note: Attach all available calculations, test reports, and oscillographic prints showing inverter output voltage and current waveforms.

CIRCUIT BREAKER (if applicable)

Safety Disconnect Switch:

ADDITIONAL INFORMATION

In addition to the items listed above, please attach a detailed one-line diagram of the proposed facility, all applicable elementary diagrams, major equipment (generators, transformers, inverters, circuit breakers, protective relays, etc.), specifications, test reports, etc., and any other applicable drawings or documents necessary for the proper design of the interconnection.

SIGN OFF AREA

The Member agrees to provide the Cooperative with any additional information required to complete the interconnection. The Member shall operate his equipment within the guidelines set forth in applicable rules and regulations governing DG and QF Facilities.

Applicant _____ Date _____

ELECTRIC COOPERATIVE CONTACT FOR APPLICATION SUBMISSION AND FOR MORE INFORMATION:

Cooperative contact: TIM VARGAS tvargas@swisherec.org

Title: Staking Engineer

Address: 401 SW 2nd Street PO Box 67

Tulia, TX 79088

Phone: 806 9953567

Fax: 806 9952249