

For TVA Use Only:	

**Generation Partners Expanded Pilot
Participation Agreement**

I, _____, hereby agree to participate on a voluntary basis in a pilot program (Program) being conducted by my electric power supplier, Memphis Light, Gas and Water Division (Distributor), and its wholesale supplier of power, Tennessee Valley Authority (TVA), to demonstrate the feasibility of purchasing electric energy from residential, commercial, and industrial customers generated by qualified renewable generation resources offered in this Program. I understand that the intent of this program is to encourage residential, commercial, and industrial customers served by Distributor to install renewable generation. Therefore, I must be a residential customer with an occupied residential building at the Address of the Qualifying System, or if I am a non-residential customer, I recognize that my primary commercial or industrial purpose is not electricity generation at the Address of the Qualifying System. I understand that in order for any such system to qualify for participation in the Program, I will have to submit its design to Distributor in advance. Further, to qualify for participation in the Program, the system: (a) must not have previously generated renewable energy prior to January 1, 2008, unless such generation was for the Program, or, must be a system that has resumed operation after having not been in service for at least two consecutive years spanning January 1, 2008, (b) must have met the requirements of the Green-e Energy National Standard as provided by the Center for Resource Solutions, or its successor entity (c) must have met the requirements of the type of Qualifying System outlined below for inclusion into TVA's Green Power Switch® Program, (d) must have a total nameplate generation capacity of less than 1 MW, and (e) must have a minimum rated output equal to or greater than 0.50 kW.

A system determined to be eligible for participation, as specified below, in the Program will be referred to herein as a qualifying system (Qualifying System), the site of which is located at the address in section 18 below (Address).

I have had the Program explained to me. I understand that my system has been accepted by Distributor and TVA as a Qualifying System, as indicated by the signatures at the end of this agreement.

I agree to participate in the Program under the following conditions:

1. The Qualifying System must be a commercially proven technology of one of these types:
 - (a) Solar Electric
 - (b) Wind
 - (c) Low-Impact Hydropower – from new generation capacity on a non-impoundment or new generation capacity on an existing impoundment that meets one or more of the following conditions: (1) the hydropower facility is certified by the Low Impact Hydropower Institute, or (2) the facility is a run-of-the river hydropower facility with a total rated nameplate capacity equal to or less than 1 MW (multiple turbines will not be counted separately and shall not amount

to more than 1 MW nameplate capacity); or (3) the hydropower facility consists of a turbine in a pipeline or a turbine in an irrigation canal.

(d) Biomass - solid, liquid, and gaseous forms of the following fuels:

- (1) all woody waste including "black liquor" from pulp and paper processing, mill residues, industrial waste wood, and waste wood from woodworking or wood processing, so long as the wood is not chemically treated or coated;
- (2) agricultural, animal, and other organic waste;
- (3) a plant that is grown exclusively as a fuel for the production of electricity; and
- (4) landfill gas and wastewater methane.

Biomass resources excluded from eligibility include:

- (1) wood that has been coated with paints, plastics, or formica;
- (2) wood that has been treated for preservation with materials containing halogens, chlorine or halide compounds like CCA-treated materials, or arsenic (CCA = chromated copper arsenate); and
- (3) municipal solid waste; and
- (4) biodiesel.

2. I understand that this agreement will become effective as of the date that Distributor accepts the Qualifying System by executing Distributor's Acceptance of Qualifying System Form (Effective Date). Unless sooner terminated as provided below, will remain in effect for ten (10) years after the Effective Date.

2.1 I understand that participation in the Program is limited. My Qualifying System shall be deemed to be included in the Program if Distributor's Acceptance of Qualifying System Form is executed and received by TVA within six months of the date of this agreement (or a later date approved by TVA), but no event later than September 30, 2012. Notwithstanding the above, TVA may choose to designate for each type of qualifying resource the amount that it will allow to be included in the Program.

2.2. This agreement may be terminated at any time by me upon thirty (30) days' written notice to Distributor.

2.3 This agreement may be terminated by the mutual agreement of the parties in writing at any time.

2.4 This agreement may be terminated by Distributor at any time upon written notice to me at the notice address stated in section 2.5 below that it has determined that any of the following conditions have occurred: (a) there has been a sustained lack of generation (less than an average of 10 kWh per month) from my Qualifying System for a period of six (6) consecutive months or more, (b) my Qualifying System or its interconnection or safety equipment violate any applicable local, state, or federal codes or pose a safety hazard, (c) my interconnection or safety equipment ceases to comply with the requirements of section 6 below, (d) my Qualifying System includes generation from a non-qualifying source, (e) generation from my Qualifying System is used by me to

provide credits for electric consumption at a location other than the Address herein, or (f) Distributor ceases to be a customer of TVA.

2.5 Notices given under this agreement shall be deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

If to me:

If to Distributor:

Becky Williamson/Energy Services
MLGW
220 South Main Street
Memphis, TN 38103

The above listed names and addresses of either party may be changed by written notification to the other.

2.6 If ownership of the Address is transferred (or my tenancy at the Address is terminated), I will notify Distributor as soon as possible, and Distributor and I will agree upon the date on which this agreement will be transferred into the new owner's name or terminated. Transfer of ownership of the Qualifying System will not result in any additional incentive or reimbursements.

2.7 If ownership of the Address is transferred (or my tenancy at the Address is terminated), and I elect to remove my Qualifying System, this agreement shall be terminated on thirty (30) days written notice to the Distributor as outlined in section 2.2 above.

3. I understand that if my Qualifying System has not previously been enrolled in the Generation Partners pilot and if I am otherwise eligible to participate in this Program, after generation begins, a one-time \$1,000.00 payment will be made to me by Distributor for each type of Qualifying System installed at the Address.

4. If changes to the Qualifying System are being considered which will result in an increase or decrease in the nameplate capacity of the Qualifying System, I will notify the Distributor in advance and reapply for interconnection with Distributor based on proposed modifications.

5. I understand that the Program involves the purchase, installation, operation, and maintenance of one or more additional meters (Generation Meter) at the Address, which will be provided by Distributor, or its representative. Any repairs or replacements of the Generation Meter will also be provided by Distributor, or its representative. The Generation Meter will measure the energy output from my Qualifying System and will be the property of Distributor.

6. I understand that the purchase, installation, operation, maintenance, repair, or replacement of my Qualifying System and all interconnection and safety equipment

required to connect my Qualifying System with Distributor's electric system will be my responsibility, provided at my cost, and subject to the following requirements:

6.1 The Qualifying System must comply with all requirements established by the Distributor for interconnecting Qualifying Systems to its distribution system including signing Distributor's Interconnection Agreement. The Qualifying System (including all interconnection-related equipment) must have been tested and listed by a Nationally Recognized Testing Laboratory for continuous interactive operation with an electric distribution system in compliance with IEEE 1547 (Standard for Interconnecting Distributed Resources with Electric Power Systems), IEEE 1547.2 (Standard Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems), and UL 1741 (Inverters, Converters, and Controllers for use in Independent Power Systems). The installer/manufacture shall provide evidence of the testing and compliance with the applicable requirements. All Qualifying Systems will be maintained and tested on an ongoing basis in accordance with manufacturer's instructions and Distributor will have the right to obtain copies of the test results.

6.2 All equipment must include a manual, lockable, visible load break disconnect switch with such switch easily accessible by Distributor.

6.3 All Qualifying Systems must be manufactured (if a packaged system) and installed in compliance with all requirements of the latest edition of the National Electric Code (American National Standards Institute/National Fire Protection Association-70), and

6.4 All installations must be permitted as required by law, be certified by a licensed electrician, and pass any applicable code inspections.

7. Following the initial review, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, Distributor, TVA, or the representative of either of them, shall have access to the Address for any reasonable purpose in connection with this agreement or Distributor's obligation to provide service to its customers.

8. I understand that effective with the billing period when generation from the Qualifying System into Distributor's electric system begins and for each billing period thereafter, my power bill will be determined by the metering infrastructure for my Qualifying System which is indicated using a check mark in one of the two boxes below.

**** **Note – Distributor will determine the metering arrangements for my participation in the Program.**

Option 1 (Supply Side Tie-In) Generation Meter

My power bill will be determined by using the kWh energy (and demand, if applicable) measured on the Billing Meter, and if applicable the Generation Meter,

and applying all charges and credits for power and energy to such total and any other charges and credits determined in accordance with Distributor's applicable rate schedule, as it may be modified, changed, replaced, or adjusted from time to time; provided, however, that my power bill will be credited with a dollar amount calculated by adding the energy charge in the retail rate (residential or deemed to be GSA1 for all commercial and industrial customers) and the Premium Rate (as determined below as the premium for this type renewable generation) and then multiplying the kWh energy measured on the Generation Meter to determine the generation credit (Generation Credit).

If this Generation Credit exceeds the sum of all charges and other credits on my power bill, resulting in my being owed money for the billing period, Distributor may elect to carry over any such payment due to me as an additional credit on my power bill for the following billing period, and may continue to do so for a total of twelve (12) consecutive billing periods. If at the end of this cumulative period the value of my Generation Credits exceeds the sum of all charges and other credits for such cumulative period, Distributor will issue a payment to me for the balance due. I understand that all generation purchased by Distributor from me under this agreement is being sold by Distributor to TVA to become part of TVA's power supply to Distributor.

Option 2 (Load Side Tie-In) Generation Meter

My power bill will be determined by adding the kWh energy (and demand for every consecutive thirty (30) minute period, if applicable) measured on the Generation Meter to the kWh energy (and demand for every consecutive thirty (30) minute period, if applicable) measured on the Billing Meter, and applying all charges and credits for power and energy to such total and any other charges and credits determined in accordance with Distributor's applicable rate schedule, as it may be modified, changed, replaced, or adjusted from time to time; provided, however, that my power bill will be credited with a dollar amount calculated by adding the energy charge in the retail rate (residential or deemed to be GSA1 for all commercial and industrial customers) and the Premium Rate (as determined below as the premium for this type renewable generation) and then multiplying the kWh energy measured on the Generation Meter to determine the generation credit (Generation Credit).

If this Generation Credit exceeds the sum of all charges and other credits on my power bill, resulting in my being owed money for the billing period, Distributor may elect to carry over any such payment due to me as an additional credit on my power bill for the following billing period, and may continue to do so for a total of twelve (12) consecutive billing periods. If at the end of this cumulative period the value of my Generation Credits exceeds the sum of all charges and other credits for such cumulative period, Distributor will issue a payment to me for the balance due. I understand that all generation purchased by Distributor from me under this agreement is being sold by Distributor to TVA to become part of TVA's power supply to Distributor.

9. I understand that generation credits shall begin upon the Effective Date of this agreement which is the date that Distributor accepts my Qualifying System by

executing Distributor's Acceptance of Qualifying System form. I further understand that TVA will disburse my credits to Distributor upon receipt of the completed Distributor's Acceptance of Qualifying System Form.

10. I understand that, upon termination of this agreement, Distributor, or its representative, will have the right to remove the Generation Meter from the Address at no cost to me.

11. I agree to provide representatives of Distributor with reasonable information concerning my use of electrical equipment at the Address, and I give my permission for Distributor to make this information available to TVA.

12. I understand that electric service to me will continue to be subject to all applicable rules, regulations, and standard policies of Distributor.

13. I agree to release, indemnify, defend, and save harmless the Distributor, TVA, the United States of America, and their respective officers, agents, employees, and contractors from all liability, claims, demands, causes of action, costs, or losses for personal injuries, property damage, special damages, consequential damages, indirect damages, or loss of life or property, sustained by me, my agents and family, or third parties arising out of or in any way connected with the installation, testing, operation, maintenance, repair, replacement, removal, defect, or failure of my Qualifying System or my interconnection and safety equipment. The obligations of this section 13 shall survive termination of this agreement.

14. I understand that the owner of the Qualifying System, if different from me, may cause my participation in the Program to be terminated under the terms and conditions set out in this agreement.

15. I understand that Distributor or TVA may publish or disclose to others information obtained from the Program but that they will not voluntarily release, other than to employees, contractors, or agents of Distributor, TVA, or other parties necessarily involved in conducting the Program, information that could personally identify me, or members of my family, except as required by law, unless approved by me as indicated by my initialing here ____.

16. I agree that all rights to any renewable energy credits (including tradable renewable credits or green tags) or other associated benefits of energy generated from the renewable nature of my Qualifying System are transferred to Distributor under this agreement and understand that Distributor, in turn, will transfer all such rights to TVA.

17. I understand that, when appropriate, any singular term in this agreement shall be deemed to include the plural, and any plural term the singular.

18. I acknowledge and understand that I have no right to a renewal or extension of this agreement, or a new agreement, after the expiration of this agreement's term. If Distributor and TVA are to consider approving any such renewal or extension of this agreement, or new agreement, following the end of the term of this agreement, I acknowledge and understand that my system must meet the then-current requirements to be considered a Qualifying System and that, as of the effective date

of such renewal or extension of this agreement, or new agreement, I will be paid in accordance with the then-current prices paid for generation.

Participant Name

Participant Signature & Date

Address of Qualifying System: _____

City: _____ State: _____ Zip Code: _____

Customer Type – Check all that apply:

Residential Commercial or Industrial Non-Demand Demand

Qualifying System Type, Premium Rate, and Size:

Solar \$0.12/kWh Wind \$0.03/kWh
 Low-Impact Hydro \$0.03/kWh Biomass \$0.03/kWh

If Biomass, please specify type: _____

Size of Qualifying System: _____ kW

If Participant is not the owner of the Qualifying System at the Address, the owner must also sign this agreement as set out below:

I am the owner of the Qualifying System at the Address at which the Generation Meter will be installed. I have had the Program explained to me, and I give my permission for the review of the interconnection of the Qualifying System at the Address. I will permit use of the Qualifying System in the Program as provided above. I will cooperate with the other parties participating in the Program as set out in this agreement.

Owner Name of Qualifying System

Owner Signature & Date

The Qualifying System has met Distributor's interconnection agreement requirements and therefore Distributor accepted and agreed on this _____ day of _____, 20____.

DISTRIBUTOR NAME

(Distributor Representative Name & Title)

Distributor Signature & Date

Accepted and agreed to this _____ day of _____, 20____.

TENNESSEE VALLEY AUTHORITY

(TVA Representative Name & Title)

TVA Signature & Date