

MEMPHIS LIGHT, GAS AND WATER
INTERCONNECTION AND PARALLEL OPERATION AGREEMENT
FOR DISTRIBUTED GENERATION

This Interconnection and Parallel Operation Agreement (“Agreement”) is made and entered into by Memphis Light, Gas and Water, (“MLGW”), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and _____,

who has elected to participate in the following distributed generation program

- Green Power Providers/GPP (*dual metered, selling 100% of output to TVA*)
- Distributed Solar Solutions/DSS (*dual metered, selling 100% of output to TVA*)
- Dispersed Power Production/DPP (*dual metered, selling 100% of output to TVA*)
- Self Generation/SG (*dual metered, using output onsite and providing any excess to grid without compensation*)
- Self Generation with Dispersed Power Production/SGDPP (*dual metered, using output onsite and selling any excess to TVA*)
- Negotiated Proposal (*selling 100% of output to TVA*)

and who is hereinafter referred to as “Participant”, and

WHEREAS, the Participant has requested interconnection services for distributed generation that is owned by the Participant or a third party (see attached Application for Interconnection of Distributed Generation) at the Participant’s location, which is _____.

Now, therefore, for and in consideration of the mutual covenants and agreements set forth herein, the Parties agree as follows:

1. Scope of Agreement

- 1.1. This Agreement is applicable to conditions under which MLGW and the Participant agree that one or more generating systems and all related interconnection equipment (described in the Application for Interconnection of Distributed Generation attached to this agreement and hereinafter referred to as “Qualifying System”) located at Participant’s location with gross power rating of _____ **kw DC** may be interconnected to MLGW’s electric power distribution system (“System”). Execution of this agreement allows the Participant to proceed with procurement and installation of the system **but Participant is not allowed to proceed with parallel operation** until Code Enforcement has approved the installation and MLGW has: installed appropriate metering, conducted an onsite acceptance test, and given Participant written authorization to proceed with parallel operation, via an MLGW-executed copy of the Distributed Generation System Acceptance Form.

2. Establishment of Point of Interconnection

- 2.1. MLGW and Participant agree to interconnect at a point to be determined by MLGW, based on each Participant’s unique situation, in accordance with the MLGW Service Policy Manual and MLGW Distributed Generation Interconnection Procedures (the “Rules”), which are incorporated herein by reference. The generator and all related interconnection equipment will comply with the Rules.

3. General Responsibilities of the Parties

- 3.1. MLGW has reviewed the proposed generation and related equipment as described in the Application for compliance with MLGW's Distributed Generation Interconnection Procedures and approved the Qualifying System for interconnection based on one of the following conditions:
 - 3.1.1. Qualifying System has been certified as meeting the applicable MLGW and TVA standards and has passed the Fast Track Screening Process, or
 - 3.1.2. MLGW, in agreement with Participant, has conducted any additional engineering evaluations and/or detailed impact studies required for interconnection and any necessary System upgrades or changes identified by these additional studies have been implemented and Participant has paid for such changes where necessary;
- 3.2. Participant shall comply with all applicable laws, regulations, zoning codes, building codes, safety rules and environmental restrictions, including the latest version of the National Electrical Code applicable to the design, installation, operation and maintenance of its Qualifying System.
- 3.3. Participant must pay interconnection costs for the Qualifying System. Excluding Green Power Providers Participants, these costs include all required metering equipment. Systems with greater than 50 kW capacity, as well as systems under programs offering variable pricing, may be required to provide a voice-quality analog telephone line with RJ-11 jack at the site of the generation meter to facilitate daily collection of the generation system's interval data. This does not need to be a dedicated phone line, but it cannot be shared with a fax machine, modem, PBX or other equipment kept on even if in a monitoring mode. Exact metering communication needs will be determined during the Customer Engineering work request process.
- 3.4. After Code Enforcement has completed applicable inspections and notified MLGW of acceptance, MLGW will install the generation meter. Once this process is complete, MLGW will schedule an onsite system acceptance test, during which the installer, Participant, or Participant's representative must be present. MLGW must provide written authorization, via an MLGW-executed copy of the Distributed Generation System Acceptance Form, before Participant can begin parallel operation. Inspection or authorization by MLGW shall not relieve Participant of any responsibilities pursuant to this Agreement.
- 3.5. Participant shall conduct operations of its Qualifying System in compliance with all aspects of the Rules and in accordance with industry standard prudent engineering practice and must comply with the latest version of The Institute of Electrical and Electronics Engineers (IEEE) Standard 519.
- 3.6. Participant shall be responsible for protecting its distributed generation equipment, inverters, protective devices, and other system components from damage from the normal and abnormal conditions and operations that occur on the System in delivering and restoring power; and shall be responsible for ensuring that the Qualifying System is inspected, maintained, and tested on an ongoing basis in accordance with the manufacturer's instructions to ensure that it is operating correctly and safely. Participant shall provide to MLGW, upon MLGW's reasonable request, copies of all maintenance records and test results related to inspections and maintenance of the Qualifying System.

4. Inspection and On-Going Compliance

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

5. Manual Disconnect Switch

- 5.1. Participant must install an exterior manual, lockable, visible load break AC disconnect switch between the inverter and MLGW's meter socket. For Qualifying Systems using micro-inverters, a

fused AC disconnect switch must be used. (An optional DC disconnect switch is recommended between the generation source and inverter.) The AC switch must be visibly marked "**Generation Disconnect**". The switch should remain in the "off" (open) position after installation, until MLGW performs the system acceptance test. Upon successful completion, the AC disconnect switch will be left in the "on" (closed) position to allow the flow of generation. The Participant shall ensure that the AC manual disconnect switch shall remain readily accessible to MLGW and be capable of being locked in the open position with a single MLGW utility padlock. A permanent, weatherproof single line diagram of the renewable generation facility must be located adjacent to the AC disconnect switch. Names and current telephone numbers of at least two persons authorized to provide access to the facility and who have authority to make decisions regarding the interconnection and operation of the Qualifying System must be posted.

6. Disconnection / Reconnection

- 6.1. MLGW may open the manual disconnect switch or disconnect the Participant's generation meter, pursuant to the conditions set forth in Section 6.2 below, isolating the Qualifying System, without prior notice to the Participant. To the extent practicable, however, prior notice shall be given. If prior notice is not given, MLGW shall at the time of disconnection notify the Participant that the Qualifying System has been disconnected through direct contact or written notification left onsite. As soon as practicable after the conditions necessitating disconnection have been remedied, MLGW will unlock the disconnect switch so Participant may reenergize the Qualifying System.
- 6.2. MLGW has the right to disconnect the Participant's Qualifying System at any time. Some examples of situations that may require disconnection are:
 - 6.2.1. Emergencies or maintenance requirements on MLGW's System;
 - 6.2.2. Hazardous conditions existing on MLGW's System due to the operation of the Participant's generating or protective equipment as determined by MLGW; and
 - 6.2.3. Adverse electrical effects, such as power quality problems, on the electrical equipment of MLGW's other electric consumers caused by the Participant's Qualifying System, as determined by MLGW.

7. Modifications/Additions to Participant-owned Renewable Generation

- 7.1. If the Qualifying System is subsequently modified in order to increase or decrease its gross power rating or any components are changed, the Participant must provide MLGW with written notification that fully describes the proposed modifications at least thirty (30) calendar days prior to the desired modification date. At such time, MLGW will either notify Participant of approval or will notify Participant that such changes are not authorized.

8. Indemnity

- 8.1. Participant agrees to release, indemnify, and save harmless MLGW, TVA, the United States of America, and their respective agents and employees from all liability, claims, demands, causes of action, costs, including MLGW's attorney fees and expenses, or losses for personal injuries, property damage, or loss of life or property, sustained by Participant, Participant's agents and family, or third parties arising out of or in any way connected with the installation, testing, operation, maintenance, repair, replacement, removal, defect, or failure of Participant's Qualifying System. The obligations of this section 8.1 shall survive termination of this Agreement. Nothing in this Agreement shall serve to limit the Participant's obligation under this section 8.1, Indemnity.

9. Assignment

- 9.1. The Interconnection Agreement shall not be assignable by either party without thirty (30) calendar days written notice to the other Party and written consent of the other Party, which consent shall not be unreasonably withheld or delayed.
- 9.2. An assignee to this Interconnection Agreement shall be required to assume in writing the Participant's rights, responsibilities, and obligations under this Interconnection Agreement and to

execute any and all such documents as MLGW may require to confirm the assumption by the third party of Participant's obligations under this Agreement.

10. Insurance

10.1. In support of applicant's obligations to indemnify and hold harmless MLGW, Participant shall provide to MLGW when executing this Interconnection Agreement an original certificate of insurance from a company acceptable to MLGW, licensed to do business in Tennessee and having an A.M. BEST FPR rating of no less than A:IX and shall maintain public liability and property damage liability insurance covering all operations of the Qualifying System under this Agreement. Limits for bodily injury or death shall be not less than Three Hundred Thousand Dollars (\$300,000) for any one (1) person in any one (1) accident, occurrence or act; not less than Seven Hundred Thousand Dollars (\$700,000) for bodily injury or death of all persons in any one (1) accident, occurrence or act; Two Hundred Fifty Thousand Dollars (\$250,000) for injury and destruction of property of others in any one (1) accident, occurrence or act.

11. Effective Term and Termination Rights

11.1. This Agreement becomes effective when executed by both Parties and shall continue in effect as long as the Qualifying System operates. This Agreement may be terminated by either party upon the breach of terms of the Agreement and failure to remedy within 30 days of the notice by the non-breaching party to the breaching party.

12. Entirety of Agreement and Prior Agreements Superseded

12.1. This Agreement, including the Rules, MLGW Application for Interconnection of Distributed Generation, any applicable TVA agreement, and all attachments are expressly made a part hereof for all purposes, and constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the Qualifying System of the Parties at the Point of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein, in the Participant's Application for Interconnection of Distributed Generation, any TVA agreement, or other written information provided by the Participant.

13. Notices

13.1. 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 MLGW:
Memphis Light, Gas and Water
ATTN: Becky Williamson/Energy Services & Marketing
220 South Main Street
Memphis, TN 38103

- (b) If to Participant:

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

14. Applicable Law

14.1. The Agreement shall be governed by the laws of the State of Tennessee.

15. Severability

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

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

Memphis Light, Gas and Water:

Participant:

BY: _____
Christopher Bieber

BY: _____

TITLE: Vice President of Customer Care

TITLE: _____

DATE: _____

DATE: _____