

INTERCONNECTION AGREEMENT
FOR INTERCONNECTION AND
PARALLEL OPERATION OF CERTIFIED INVERTER-BASED EQUIPMENT

THIS INTERCONNECTION AGREEMENT ("Agreement") entered into as of the _____ day of _____, 20__, by and between the CITY/VILLAGE OF _____, ILLINOIS, a municipal corporation created and existing under the laws of the State of Illinois ("City"), and _____ ("Customer"). The City and Customer may be hereinafter referenced when individually as "Party" or cumulatively as "Parties".

IN CONSIDERATION OF the mutual covenants and agreements set forth in this Agreement, the Parties agree as follows:

1. Customer shall install, or has installed, and shall operate, use, and maintain, all at Customer's own expense, an inverter-based Customer-generator facility and associated equipment ("Generation Facilities") to interconnect and operate in parallel with City's electric distribution system, which Generation Facilities are more fully described as follows:
 - a. Location: *[legal description or postal address of solar site]*
 - b. Type of facility: **Photovoltaic Solar**
 - c. Total Inverter Power Rating for solar: _____ **KW (AC)**
 - d. Customer's contact information, Customer's contractors, electrical components, ratings and service requirements of the Generation Facilities as provided in Attachment A (Interconnection Request Application Form) **and** as described in a single line diagram, plot plan and other illustrations and tables attached hereto describing the Generation Facilities' conduits and conductors, system grounding and bonding, control system diagram, and any field adjustable voltage and frequency settings. All of the above incorporated herein by this reference.
2. Within 7 business days after Customer's confirmation of project timeline with City and Customer's written notification to City to proceed with installation of any required upgrades to the City's electric distribution system necessary to interconnect the Generation Facilities, Customer shall post with City a security deposit, in the form of either cash or a Letter of Credit from a banking institution reasonably acceptable to City, and in the amount of _____ *[\$ amount]* _____, which is equal to the City's estimated cost of the additional electric distribution equipment to be provided by the City to interconnect the Generation Facilities (the "Security Deposit"). If Customer cancels the project and does not install the Generation Facilities, the City shall be entitled to retain or draw upon

any Security Deposit posted with the City up to the cost of the stranded equipment procured to interconnect the Generation Facilities, less such costs that the City is reasonably able to mitigate following such cancellation. Otherwise, the City shall refund the Security Deposit to Customer within thirty (30) calendar days of completion of the initial interconnection of the Generation Facilities with the City's electric distribution system.

3. Customer and the Illinois Municipal Electric Agency, herein referred to as IMEA, have entered into a Power Purchase Agreement ("PPA") for the purchase and sale of solar generated electric energy from the Generation Facilities. IMEA and the City have entered into a Generation Siting and Operating Agreement ("Siting Agreement") with respect to the Generation Facilities. These agreements are incorporated herein by this reference. The Parties acknowledge that they are each in possession of executed copies of these agreements and therefore they are not attached hereto. Except as set forth above, this Agreement shall remain in effect concurrent with the term of the PPA between the Customer and IMEA.
4. Customer represents and warrants that the Generation Facilities are, or will be prior to operation, designed and installed to meet and certified as complying with the following standards:
 - a. The requirements of the Institute of Electrical and Electronics Engineers ("IEEE") Standard 1547-2018, "Standard for Interconnecting Distributed Resources with Electric Power Systems"; as amended and supplemented as of the date of this Agreement, which standard is incorporated herein by this reference ("IEEE Standard 1547-2018"); and
 - b. The requirements of the Underwriters Laboratories ("UL") Standard 1741 Concerning Inverters, Converters and Controllers for Use in Independent Power Systems, as amended and supplemented as of the date of this Agreement, which standard is incorporated herein by this reference.
5. Customer agrees to take such steps as may be necessary to ensure that any subsequent modifications to the Generation Facilities meet such requirements, as then amended and supplemented. Customer's installation, operation, use, and maintenance of the Generation Facilities is subject to and will be in compliance with all applicable requirements of law including those enumerated in the City Code. Any reference to the requirements of law shall be deemed to include any modifications of, or amendments to, the requirements of law that may occur in the future.
6. In general, the connection of the Generation Facilities to the City's electric distribution system shall not unreasonably compromise or degrade the power quality provided to existing City customers. All equipment installed by Customer shall have operating characteristics which enable the City to maintain a reasonable standard of service to both Customer and all City customers, and may reasonably include equipment or materials providing levels of performance greater than otherwise deemed "standard". The reasonableness of any such determination required in this section shall be made in the sole

discretion of the City's _____[*Electric Utility Director or equivalent*] _____ or his or her designee, provided however such discretion shall be exercised in good faith.

7. During all periods of Generation Facilities operation, Customer shall maintain the power factor of the delivered energy from the Generation Facilities in the range of 95% lagging to 95% leading.
8. Customer shall provide a lockable disconnect and interrupting device or devices which provide a means of electrically isolating the Generation Facilities from the City's electric distribution system by manual operation and automatically for faults or abnormal conditions on Customer's system or on the City's system. The lockable disconnect shall be located near the _____[*City's Electric Utility Department ("Utility")*]_____ transformer and metering cabinet and shall be accessible to [*Utility*] personnel. Interrupting devices must have sufficient interrupting capacity to interrupt the available fault at the protective device location. All interconnection related protective functions and associated DC supplies shall be periodically tested no less than every three (3) years. The City reserves the right to witness testing of interrupting devices, protective functions and associated DC supplies prior to commencement of commercial service and when periodically tested. All such test reports shall be submitted by Customer to the City. The Customer shall complete and provide the Certificate of Completion (included in Attachment A) to the City with all relevant and necessary information and inspections fully completed prior to commencement of interconnected operation.
9. Given that the main isolation breaker will be locked inside the Generation Facilities without normal City access, Customer shall provide City a remote, key operated shunt trip switch to open the main breaker from outside of the Generation Facilities. For maintenance or replacement of City equipment that requires the main breaker to be locked out; for example, work on the transformer or CT cabinet, City shall require Customer to provide timely access to the Generation Facilities for the purpose of locking the breaker in the open position and placement of required Lock-Out/Tag Out devices while the City equipment work is completed. Customer shall not remove any applied hold cards or lock out devices under any circumstances.
10. Metering and billing of Customer by the City shall be as follows: A single, bi-directional three-phase meter is being placed for the solar generation. The auxiliary power that will be drawn from the City's system by Customer during non-sun hours is expected to be minimal based on the preliminary drawings and plans. Although the auxiliary power is expected to be minimal the City will provide a 120/240 V source and meter to a customer owned meter socket for auxiliary (service) power which will be metered and billed monthly following City's standard service rules and rates. This meter shall be installed external to any buildings or other structures and shall be in a location that is accessible to the [*Utility*].
11. With respect to the installation and operation of the Generation Facilities and its interconnection to City's electric system, Customer shall defend, indemnify and hold harmless the City, its officers, officials, employees, volunteers, agents, and representatives from and against any and all liability, losses or damages as a result of claims, demands,

suits, actions, or proceedings of any kind or nature, including but not limited to costs, and fees, including reasonable attorney fees, to the extent resulting from any negligent or willful act or omission on the part of Customer or Customer's, officers, employees, agents, representatives, consultants or subcontractors. Such defense, indemnification, and hold harmless obligation shall not be limited due to the enumeration of any insurance coverage herein provided.

- a. Nothing contained herein shall be construed as prohibiting the City or its officers, officials, employees, volunteers, agents, and representatives, from defending through the selection and use of their own agents, attorneys, and experts, any claims, actions or suits brought against them.
- b. Nothing herein shall be construed as a limitation or waiver of defenses available to the City, or its officers, officials, employees, volunteers, agents, and representatives, including but not limited to the Illinois Local Governmental and Governmental Employees Tort Immunity Act, 745 ILCS 10/1-101 et seq.
- c. Except as provided by Illinois statute, the City shall not be liable to Customer for any damage or injury to its officers, employees, agents, representatives, subcontractors, consultants, customers, and invitees or property which arise or results from Customer's use of the Generation Facilities. The City shall also not be liable for loss of Customer's property due to theft. The City shall not be liable for any consequential or sequential damages resulting from any losses sustained by Customer related to the operation or lack of operation of the City's utilities or other services. All claims for any such damaged or injuries being hereby expressly waived by Customer.
- d. The provisions of this Section 11 shall survive completion, expiration or termination of this Agreement.

12. Customer shall, at its own expense, procure and maintain in effect throughout the duration of this Agreement, reasonable amounts of liability insurance against claims for injuries to persons or damage to property which may arise from or in connection with this Agreement and the installation and operation of the Generation Facilities by Customer, its officers, employees, volunteers, agents, representatives, subcontractors, consultants, customers, and invitees. The limits of liability for the insurance required shall provide coverage for not less than the limits reasonably required by City from time to time. If Customer, or any of its officers, employees, agents, representatives, subcontractors, consultants, customers, or invitees, maintain higher limits than required, the City shall be entitled to coverage for higher limits.

- a. All insurance policies shall be written with insurance companies licensed to do business in the State of Illinois and having a rating of not less than A: VII according to the A.M. Best Company. The issuing company shall provide at

least thirty (30) days prior written notice of an intended cancellation to the City by certified mail before the expiration or termination of any such policy.

- b. For any claims arising from or related to this Agreement, or Customer's installation, operation, use or maintenance of the Generation Facilities, Customer's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of Customer's insurance and shall not contribute with it.
 - c. Customer hereby agrees to waive its rights of subrogation which any insurer of Customer may acquire from Customer by virtue of the payment of any loss. Customer agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by Customer, its officers, officials, employees, agents, representatives, subcontractors, and consultants.
 - d. The City, its officers, officials, employees, agents, representatives and volunteers are to be covered as additional insureds with respect to liability arising out of on-site work or operations performed by or on behalf of Customer related to this Agreement and Generation Facilities.
 - e. Customer shall furnish Certificates of Insurance to the City prior to beginning the installation of the Generation Facilities or, if already installed, prior to operation of the Generation Facilities.
13. The City shall have the right to suspend service or require the Customer to immediately disconnect the on-site Generation Facilities, with appropriate notice, without liability to the City if in the City's sole reasonable judgment and discretion exercised in good faith, (a) continued electrical generation by Customer may be dangerous to life, limb or property or otherwise materially and adversely affects the safe operation of the City's electric distribution system; (b) if there are significant alterations to the Generation Facilities without the City's approval, which approval shall not be unreasonably withheld ; (c) if failure of Customer's Generation Facilities will cause disturbances to the City's distribution system; or (d) if Customer violates the terms or conditions of this Agreement or applicable codes and industry standards identified herein. In the event City suspends service or requires the Customer to disconnect the on-site Generation Facilities for said causes herein, the City and Customer agree to work towards a remedy that resolves any and all technical problems with said on-site generation equipment, after which approval which shall not be unreasonably withheld by the City to allow the Customer to bring said on-site Generation Facilities back online and resumption of service by City.
14. The City, in its sole discretion, may terminate this Agreement if by act or omission, Customer breaches or defaults on any material term or condition of this Agreement and

Customer fails to cure such breach or default within thirty (30) calendar days after its receipt of written notice of same from the City.

15. This Agreement and all of the covenants and conditions herein contained shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. Customer may assign this Agreement to any entity taking assignment of the PPA in accordance with its terms. In the event of assignment, Customer shall notify City of such assignment, and include the identity and all contact information of the assignee, such notice and information to be provided within five (5) business days after the effective date of the assignment. Neither this Agreement nor any of the terms, covenants or conditions herein may be modified or amended, except by an agreement in writing duly executed and delivered by both the City and Customer. An amendment or modification to this Agreement shall not be effective unless and until it is reduced to writing and approved and executed by all Parties in accordance with all requirements of law.
16. This Agreement constitutes the entire agreement between the Parties and supersedes any and all prior agreements and negotiations between the Parties, whether written or oral, relating to the subject matter of this Agreement.
17. Unless expressly provided to the contrary in this Agreement, each and every one of the rights, remedies, and benefits provided by this Agreement shall be cumulative and shall not be exclusive of any other rights, remedies, and benefits allowed by law. The failure of a Party to insist upon strict performance of any of the terms, covenants or conditions herein contained shall not be deemed a waiver of any of its rights or remedies and shall not be deemed a waiver of any subsequent breach or default of any of said terms, covenants and conditions.
18. It is hereby expressed to be the intent of the Parties that should any provision, covenant, agreement, or portion of this Agreement or its application to any person or property be held invalid by a court of competent jurisdiction, the remaining provisions of this Agreement and the validity, enforceability, and application to any person or property shall not be impaired thereby, but the remaining provisions shall be interpreted, applied, and enforced so as to achieve, as near as may be, the purpose and intent of this Agreement to the greatest extent permitted by applicable law.
19. This Agreement shall be governed by, and enforced in accordance with, the internal laws of the State of Illinois. Venue for disputes arising from or related to this Agreement or the Generation Facilities shall be in the Illinois Circuit Court for the ___[*Judicial Circuit, County*]___ County, Illinois.
20. Any notice, request, instruction, or other document to be given thereunder to any Party shall be in writing and deemed given on the date it is delivered: (i) when delivered personally; (ii) when sent with return receipt by registered or certified mail, or otherwise on the date that is five (5) days after deposit in the mail when sent by postage prepaid first class mail; (iii) by email where receipt is acknowledged by the receiving Party; or, (iv) by facsimile where receipt is acknowledged by the receiving Party, as follows:

If to City: [postal address and email information for designated contact at City/Village]

With a copy to: [postal address and email contact information for City/Village legal counsel]

If to Customer: [postal address and email information for designated contact for Customer]

Any party may change its address for purposes of this paragraph by giving notice of such change of address to the other party in the manner provided for giving notice.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their proper officials, respectively, being thereunto duly authorized, as of the day, month and year first above written.

CITY/VILLAGE OF _____, ILLINOIS

[Customer]

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

ATTACHMENT A
INTERCONNECTION REQUEST APPLICATION FORM
AND
CERTIFICATE OF COMPLETION