

GENERATION SITING AND OPERATING AGREEMENT

This Agreement entered into as of the ____ day of _____, 20__ between ILLINOIS MUNICIPAL ELECTRIC AGENCY (“IMEA” or the “Agency”), a body politic and corporate, municipal corporation and unit of local government of the State of Illinois, and the CITY/VILLAGE OF _____, ILLINOIS (“City”), a municipal corporation created and existing under the laws of the State of Illinois.

W I T N E S S E T H:

WHEREAS, IMEA is a body politic and corporate, municipal corporation and unit of local government of the State of Illinois created to serve the municipalities in the State that own and/or operate their own municipal electric utilities through joint action to achieve economies and efficiencies in the production and supply of electric energy not possible for municipalities acting alone; the City owns and operates its own municipal electric distribution system and utility; and the City is a Member-owner of IMEA; and

WHEREAS, IMEA has long-term Power Sales Contracts with the City and its other 31 Members to provide all of the electric power and energy required for the operation of the Members’ municipal electric systems; and

WHEREAS, public policy in the country as it relates to the electricity industry is placing great pressure on load serving entities to meet larger portions of their electricity needs with carbon-free renewable generation resources and energy efficiency, including existing and proposed State and Federal legislation and regulations mandating or proposing to mandate minimum renewable resource and energy efficiency standards, and including proposed rules that would require reduction in greenhouse gas emissions; and

WHEREAS, in furtherance of its obligations under the Power Sales Contracts and to further the national goals and policies of acquiring power supply from carbon-free, renewable resources, IMEA has adopted a solar energy resource program pursuant to which it will sponsor one or more solar generation projects to be located on sites within and to be interconnected with the municipal electric distribution systems of one or more of its Members; and

WHEREAS, the City has offered to host a solar project under the program and to provide the site identified in this Agreement for installation of a solar generation facility to be interconnected with the City’s distribution system and to provide the electricity therefrom to serve the citizens and businesses of the City on the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements set forth in this Agreement, the Agency and the Member agree as follows:

1. IMEA shall install, own, operate and maintain, or cause to be installed, owned, operated and maintained, at its expense, a solar generation facility to be connected to the City’s electric distribution system for use as a source of supply of electricity for the City’s citizens and businesses.

The form of IMEA's sponsorship on the solar project in [City name] shall be through the execution of a Power Purchase Agreement ("PPA") with the contractor/supplier finally selected by IMEA to build, own and operate the project. The solar generation facility will consist of photovoltaic panels, inverters and related equipment designed to produce and rated at approximately ____ kW. The PPA includes an option for IMEA to acquire ownership of the solar generation facility in the future.

2. The solar generation facility will be directly interconnected to the City's electric distribution system. The power and energy from the solar generation facility will be delivered directly to the City for use by the City's citizens and businesses. This power and energy will be used to supplement IMEA's provision of electricity to meet the City's requirements under the Power Sales Contract. The other attributes associated with the energy produced by the solar generation facility, including but not limited to capacity, ancillary services and credits associated with the renewable or non-carbon nature of the energy produced, shall be retained by IMEA for the benefit of all of its Members.

3. The City shall provide a parcel of land to be used for the site of the solar generation facility. The parcel shall be a total of ____+ acres consisting of _____[legal description of site] _____and as shown in Attachment A hereto (the "Premises"). The solar generation facility is to be installed and maintained at the site on the Premises as identified and depicted on Attachment B hereto. The City shall provide IMEA unrestricted usage of and access to the Premises for all purposes related to the solar generation facility. Consistent with Section 8 below, IMEA and/or its contractor/supplier will maintain the Premises in compliance with applicable City building, zoning and other regulations.

4. [Reserved]

5. The City shall execute an appropriate instrument to grant IMEA a permanent easement to cause the Premises to be used as the site for the solar generation facility. The easement will be perpetual; provided however the instrument shall have a reversion clause that automatically terminates the easement rights when the solar generation facility ceases to exist, is abandoned or falls into disrepair and no effort is made to repair it, or is acquired by the City. The instrument shall be in a form and have such provisions as are reasonable and customary for instruments of its type and as shall be mutually agreeable to the parties. Upon execution, the instrument shall be recorded in the land records in the appropriate offices of _____County, Illinois. The easement shall be granted in exchange for a nominal consideration. The City shall charge no other fee for the use of the Premises.

6. IMEA shall have the right to grant one or more irrevocable, non-exclusive licenses running with the land for the Premises to the contractor/supplier selected to build, own and operate the solar generation facility for access to and for the purpose of installing, owning, operating and maintaining, and at appropriate times repairing, replacing and/or removing the solar generation facility and all related equipment on or from the Premises. IMEA may grant the holder of any such license the right to record a memorandum of license or other appropriate instrument in the land records in the appropriate offices of _____ County, Illinois.

7. Real property owned by the City is exempt from property-related taxes as long as it is held or used for a public purpose. The production of energy to be used in the City's municipal electric utility is a public purpose. IMEA and its contractor/supplier should not be subject to property taxes or other fees, monetary contributions or taxes in lieu of property taxes in connection with the use of the Premises for placement of the solar generation facility or the ownership of the facility. The solar generation facility to be located on the Premises will serve the public purpose of being used in connection with the provision of electricity to the citizens and businesses of the City as part of the City's electric utility system, and as such, it is tax-exempt. The City agrees to use its best efforts to keep IMEA and its contractor/supplier from being made subject to any such property-related taxes, fees, monetary contributions or taxes in lieu in connection with the ownership of the solar generation facility or the use of the Premises. The above notwithstanding, IMEA and/or its contractor/supplier will be subject to applicable permit fees assessed by the City in conjunction with the review and granting of permits.

8. The City agrees to take all steps reasonably necessary under applicable building, zoning and other regulations of all local government authorities such that IMEA and/or its contractor/supplier will have the necessary authorizations to install, operate and maintain the solar generation facility. IMEA and/or its contractor/supplier will at all times comply with all applicable building, zoning and other regulations regarding the use and upkeep of the Premises.

9. If it has not already done so, the City will complete the IDNR (Illinois Department of Natural Resources) Ecological Compliance Assessment Tool (EcoCAT) Application for the host site within 15 calendar days of execution of this Agreement to initiate natural resource reviews for:

- a. Illinois Endangered Species Protection Act [520 ILCS 10/11(b)] and Illinois Natural Areas Preservation Act [525 ILCS 30/17] as set forth in procedures under Title 17 Ill. Admin. Code Part 1075.
- b. Interagency Wetland Policy Act of 1989 [20 ILCS 830] as set forth in procedures under Title 17 Ill. Admin. Code Part 1090 when state agencies provide funding (including federal pass-through funding) or technical assistance.

IMEA will reimburse the City up to \$500 for the fee, if any, plus convenience fee costs associated with the EcoCAT application process. This EcoCAT report may be required by certain environmental Acts. The City will not be paid by IMEA for its staff or consulting time needed to complete such tasks. The City's obligations under this Agreement are subject to the receipt by IMEA or its contractor/supplier of all necessary permits, approvals and authorizations to install, own, operate and maintain the solar generation facility, including any necessary variance or similar action with respect to any restriction arising out of the EcoCAT process.

10. IMEA agrees to provide or cause its contractor/supplier to provide for environmental and other governmental and/or regulatory permitting and approvals, if any, other than that specified in Sections 8 and 9 immediately above, as required by law to install, own, operate and maintain the solar generating facility. IMEA's obligations under this Agreement are subject to the receipt by IMEA or its contractor/supplier of all necessary permits, approvals and authorizations to install, own, operate and maintain the solar generation facility.

11. The City shall not build or allow any structure of any kind to be built on, or make any other alterations to, the Premises or any adjoining parcel owned by the City that would block access to the sunlight by the solar generation facility or that would otherwise adversely affect, cause damage to or interfere with the construction, operation or maintenance of the solar generation facility. The City will enforce its currently effective building, zoning or other land use regulations and restrictions to ensure to the extent possible under such currently effective regulations and restrictions that no construction on or alteration of any adjoining parcels will be allowed to block access to the sunlight by the solar generation facility or that would otherwise interfere with the solar generation facility. The City will not make any changes to its currently effective building, zoning or other land use regulations and restrictions or grant any variance or exception thereto that would allow for any such construction on or alteration of any adjoining parcels. The City shall notify IMEA in a timely manner if it becomes aware of any plans for any such construction on an adjoining parcel. The City will also use its best efforts to encourage the landscape elements and vegetation control on all adjacent properties to be configured so as not to block access to sunlight or otherwise interfere with the solar generation facility.

12. The City shall remove any and all trees from the Premises that might interfere with the solar generation facility in a timely manner in coordination with IMEA and its contractor/supplier. IMEA or its contractor/supplier shall have the right and obligation to maintain all vegetation on the Premises that is at or inside the fence of the solar generation facility. The City grants IMEA or its contractor/supplier permission to grade and/or provide drainage for the Premises subject to City's reasonable review and approval.

13. The City shall install and maintain in accordance with prudent utility practice, at its expense, the necessary equipment to connect the solar generation facility to the City's electric distribution system, which interconnection equipment shall be owned by the City. The City-provided three phase equipment is depicted on Attachment C and shall consist of a _____[*description of the City's step up transformer*]_____ step up transformer, high side fuses and load break disconnect switching, low side bidirectional, four quadrant polyphase revenue metering with SCADA connectivity, and associated high side cabling to extend the City's existing distribution feeder to the step up transformer. IMEA agrees to reimburse City for the cost of said metering. IMEA will cause its contractor/supplier to execute an appropriate interconnection agreement with the City.

14. The interconnection point between the solar project and the City's electric distribution system shall be made an additional Delivery Point for the City under its Power Sales Contract with IMEA and the power and energy delivered to the City from the solar generation facility shall be metered and billed to the City by IMEA in accordance with the Power Sales Contract. The City shall provide IMEA SCADA access to all output from the revenue metering and, as required, access to single phase 120/240 VAC power for IMEA SCADA communications at the site.

15. The City shall provide IMEA with access to monitoring points within the section of the City's electric distribution system serving the solar generation facility and reasonable City staff time for installation of monitoring devices for the purpose of studying real-time voltage and harmonic conditions as the solar generation facility output and substation regulation and loading;

provided that no such devices shall be permitted if and to the extent they would create any safety concerns or limit the City's operational flexibility. IMEA or its contractor/supplier will provide the City with access to a public internet web site displaying real time and historic solar array output data from the solar generation facility, reported in user-defined time intervals.

16. The City shall at all times preserve and maintain the interconnection of the solar generation facility to its electric distribution system in accordance with prudent utility practice and shall receive the electricity produced by the solar generation facility into its electric distribution system. The City shall use its best efforts to cause the interconnection between its electric distribution system and the solar generation facility to be taken off line for no more than a total of forty-eight (48) daylight hours per calendar year. The City shall notify IMEA at least forty-nine (49) hours in advance of the commencement of any scheduled outage and shall use its best efforts to notify IMEA immediately of any unscheduled or emergency outage.

17. The City agrees to provide single phase, 120/240 VAC, minimum 100 Amp electric service at the site for the purpose of serving auxiliary power requirements of the solar generation facility, and IMEA and/or its contractor/supplier agrees to reimburse the City for the cost of said auxiliary power.

18. IMEA may have the option to acquire ownership of the solar generation facility from its contractor/supplier in the future. If and at such time as IMEA acquires ownership of the solar generation facility, the City agrees to provide or arrange for grounds maintenance for the solar generation facility, and IMEA agrees to reimburse the City for the reasonably incurred costs of doing so.

19. If and at such time as IMEA acquires ownership of the solar generation facility, the City agrees to provide electric utility personnel to perform routine maintenance and to operate the solar generation facility at IMEA's direction. IMEA agrees to reimburse the City for use of municipal utility personnel at the City's then current hourly rates of compensation.

20. IMEA agrees to secure or to cause its contractor/supplier to secure the site by installing on the Premises, at its expense or at the expense of its contractor/supplier, yard lighting (Delivery Point area), substation quality fencing and lockable gate(s) accessible by IMEA or its contractor/supplier and by City personnel. Except where there is imminent risk of damage to persons or property, the City shall notify IMEA prior to entering the solar generating facility if required for purposes of operating or maintaining the utility system. The City shall give IMEA 24 hour notice prior to providing facility access to small public groups for educational and promotional purposes. Said groups shall be properly escorted and supervised by City utility personnel while in the facility. Notwithstanding the foregoing, no activities shall be allowed at the site or on the Premises that have a reasonable likelihood of causing damage, impairment or otherwise adversely affecting the operation of the solar generating facility.

21. The City shall provide, at its expense, police and fire protection/emergency response for the solar generation facility, including any special training that may be needed for fire response at such a facility. IMEA or its contractor/supplier shall provide such emergency response personnel access to an emergency trip switch for the main low side breaker of the solar generation

facility. Access to the emergency trip switch shall be secured by a lock box located immediately outside the facility fence.

22. The City shall notify IMEA immediately if an emergency condition arises regarding or that may affect the solar generation facility. The City shall notify IMEA in a timely manner if it becomes aware of any other risk to, damage, or condition affecting the Premises or the solar generation facility. IMEA and the City shall designate personnel and establish procedures to allow such notifications at all times, twenty-four (24) hours per day, including weekends and holidays.

23. IMEA agrees to procure and maintain such policies of liability insurance and to cause any third party to which it has granted use rights to procure and maintain such policies of liability insurance as shall be necessary in accordance with prudent utility practice to insure against any claim or claims of damage arising by reason of property damage, personal injury or death occasioned directly or indirectly in connection with the operation of the solar generation facility on the Premises. At a minimum, such policies shall include: (a) property insurance on the solar generation facility for the replacement cost thereof; (b) commercial general liability insurance with coverage of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate; (c) employer's liability insurance with coverage of at least \$1,000,000; and (d) workers' compensation insurance as required by law. In addition, IMEA currently has in place and shall continue to maintain an overall umbrella policy with a face amount of at least \$5,000,000. Beyond any such insurance, IMEA shall not be liable to the City for any damage to the Premises or any injury or damage occurring on the Premises in connection with the operation of the solar generation project or otherwise, unless caused by the gross negligence or intentional misconduct of IMEA or its agents. The City agrees to procure and maintain such policies of liability insurance as are commercially reasonable as the owner of the Premises.

24. Subject to applicable limits under Illinois law regarding governmental immunity, the City shall indemnify, defend and hold harmless IMEA and its contractor/supplier from and against all liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance, except to the extent deposited, spilled or otherwise caused by IMEA or its contractor/supplier or any of their contractors or agents. Subject to applicable limits under Illinois law regarding governmental immunity, IMEA shall indemnify, defend and hold harmless the City (or IMEA shall cause its contractor/supplier to indemnify, defend and hold harmless the City) from and against all liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance to the extent deposited, spilled or otherwise caused by IMEA's contractor/supplier or any of its contractors or agents. Each party shall promptly notify the other party if it becomes aware of any Hazardous Substance on or about the Premises or any deposit, spill or release of any Hazardous Substance.

25. The PPA may require IMEA to obtain certain acknowledgements and agreements from the City as it relates to the Premises and the solar generation facility. The City agrees that the solar generation facility is and shall retain its legal status as personal property and shall not attach to or be deemed a part of, or fixture to, the Premises. The City shall place all parties having an interest in or a mortgage, pledge, lien, charge, security interest, encumbrance or other claim of any nature on the Premises on notice of the ownership of the solar generation facility and its legal status and classification as personal property. If there is at any time during the term of this Agreement any

mortgage, pledge, lien, charge, security interest, encumbrance, fixture filing or other claim of any nature against the Premises which could reasonably be construed as prospectively attaching to the solar generation facility as a fixture of the Premises, Purchaser shall provide a disclaimer or release from the holder of such interests or claims. The City consents to the filing of a disclaimer by IMEA's contractor/supplier of the solar generation facility as a fixture of the Premises in the office where real estate records are customarily filed in the jurisdiction where the Premises is located. If requested by IMEA's contractor/supplier, the City agrees to deliver a non-disturbance agreement between itself and IMEA or between the holder of any of the foregoing interests or claims and IMEA in a form reasonably acceptable to IMEA's contractor/supplier.

26. Unless otherwise agreed to by IMEA and City, at the end of the initial term, or any extension thereof, IMEA agrees to promptly remove all of its removable equipment from the Premises or cause the same to be removed and use reasonable efforts to restore the site to its condition prior to installing the solar generation facility.

27. The initial term of this Agreement shall commence upon its execution and continue until the date that is one hundred twenty (120) days following the date of expiration or termination of IMEA's PPA with the contractor/supplier who owns the solar generation facility; provided however, if the power supply portions of the PPA terminate earlier than 20 years after the Commercial Operation Date (as defined in the PPA) because IMEA acquired ownership of the solar generation facility during the term of the PPA, then the initial term of this Agreement shall continue until the date that is twenty years and one hundred twenty days after such Commercial Operation Date. Thereafter, this Agreement shall continue in full force and effect until terminated by one hundred and twenty (120) days written notice from either party. Notwithstanding the foregoing, this Agreement shall terminate if the solar generation facility is removed from the Premises.

28. If the Power Sales Contract between IMEA and the City expires and is not extended or replaced during the term of the PPA, then the PPA between IMEA and its contractor/supplier shall be assigned by IMEA to the City. The City shall accept such assignment, and thereafter the City shall be fully responsible for all obligations and shall be entitled to all rights under the PPA. If IMEA has acquired ownership of the solar generation facility prior to such expiration of the Power Sales Contract, then IMEA agrees to transfer ownership of the solar generation facility to the City upon such expiration, subject to the City paying IMEA an amount equal to the then current net book value of the solar generation facility.

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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.

ILLINOIS MUNICIPAL ELECTRIC AGENCY

By: _____
President & CEO

ATTEST:

CITY/VILLAGE OF _____, ILLINOIS

By: _____
Mayor

ATTEST:

City Clerk

ATTACHMENT A

SURVEYOR'S PLAT OF PREMISES WITH LEGAL DESCRIPTION

ATTACHMENT B

AERIAL PHOTOGRAPH OF PREMISES

ATTACHMENT C

ONE-LINE DIAGRAM OF PREMISES