

# **Butler Rural Electric Cooperative, Inc. Cogeneration and Distributed Generation Manual**

## **Purpose**

To provide information and guidance for participation in the Cooperative's program for interconnecting with member owned generating facilities.

## **How to Use this Manual**

Answer the questions on the following pages. Depending upon the answers, the manual will indicate which documents are applicable to the proposed situation. Please reference those sections indicated when processing your application.

Note: Several of the documents are templates containing blank lines and exhibits. The blanks indicate items which are specific to an individual applicant and will need to be supplied by either the applicant, Butler Rural Electric Cooperative, or Buckeye Power Inc. once details of the proposed system are known.

The staff of Butler Rural Electric Cooperative looks forward to working with you throughout the project life of your facility. If we can be of assistance, please do not hesitate to contact us.

### **Please note:**

- (1) Installations with the potential to export power onto the Butler Rural Electric Cooperative, Inc. distribution system are required to be FERC Qualifying Facilities and may be required to be FERC Certified. For more information, please go to <http://www.ferc.gov> for more information.
- (2) Insurance requirements for interconnected generators are defined in these policies. Please check with your insurance carriers to determine eligibility and costs prior to purchasing equipment.
- (3) In accordance with Butler Rural Electric Cooperative policies, use of distributed generation resources will prevent or end participation in the cooperative's Geothermal, Dual Fuel and Air-to-Air Heat Pump programs.
- (4) An Application Fee is required prior to review.
- (5) Policies and Rate Schedules are subject to periodic review and modification at the discretion of the Board of Trustees of Butler Rural Electric Cooperative, Inc.

## **Recommended Application Process**

- 1) Complete the Questionnaire on the following pages.
- 2) Review the appropriate documents and guidelines.
- 3) Have a manufacturer's representative review the documentation for system compatibility.
- 4) Complete as much of the application as possible, i.e. technical data, timelines, etc.
- 5) Forward the partial application, including the Application Fee, to the Cooperative.
- 6) The Cooperative and/or Buckeye Power will review the information and follow up with questions and/or cost estimates.
- 7) With the additional information, complete the application and submit to the Cooperative.
- 8) After final review and approval, execute the appropriate agreements.
- 9) If needed, obtain FERC qualifying facility certification for your generator and forward to the cooperative. Wind and solar facilities below 1 megawatt in size are not required by FERC to file for qualifying facility certification.
- 10) Obtain and provide proof of insurance to the Cooperative.
- 11) Construct the system.
- 12) Provide proof of inspection to the cooperative from the county or governing agency.
- 13) Schedule a system test and meter installation with the Cooperative.

**Butler Rural Electric Cooperative, Inc.  
Cogeneration and Distributed Generation Manual  
Questionnaire**

Question	Y or N	Directions or Comments
<p>1. Do you wish to operate your generating facility in parallel with the electric utility system? <b>Parallel operation</b> – a condition where a generating facility is synched with the local utility system and is connected in such a way as to allow power to flow in either direction across an interconnection point between the utility and the local consumer without additional switching operations.</p>		<p><b>Yes</b> – Proceed to question number 2.</p> <p><b>No</b> – You will not be participating in the cogeneration/distributed generation program. Butler Rural Electric Cooperative requires notification of the presence of a generator on site. If an interconnection is possible with Cooperative facilities, a double-throw switch or other Cooperative-approved disconnect, accessible to Cooperative personnel, is required to allow a visible disconnect from the consumer’s generator.</p>
<p>2. Is the aggregate generating capacity of the proposed facility(ies) greater than 10 megavolt-amperes (10 MVA)?</p>		<p><b>Yes</b> – Terms of Interconnection and Power Sales will be evaluated on a case by case basis between the consumer, Buckeye Power Inc. and Butler Rural Electric Cooperative, Inc. Please contact the Cooperative for more information.</p> <p><b>No</b> – Proceed to question 3.</p>
<p>3. Is the generator powered by a renewable resource?</p>		<p><b>Yes</b> – Proceed to question 6.</p> <p><b>No</b> – Proceed to question 4</p>
<p>4. Will the generation only be used for back-up or peak shaving purposes?</p>		<p><b>Yes</b> – Proceed to question 5</p> <p><b>No</b> – The proposed generation installation is not eligible to be interconnected in parallel operation with the Cooperative’s distribution system.</p>
<p>5. Is the aggregate generator capacity greater than or equal to 25 kilowatts (25 kw) and is the applicant a commercial or industrial entity?</p>		<p><b>Yes</b>- The following sections of this manual, at a minimum will be applicable to the proposed facility: (A) (B) (D) (G) and (I)</p> <p><b>Note (1):</b> If the screening process identified in the Technical Guidelines indicates that a System Impact and Facility Study is required, then section (H) will be applicable.</p> <p><b>Note (2):</b> If the applicant desires a signaling mechanism to identify periods of peak shaving opportunities, section (J) is applicable.</p> <p><b>No</b> – The proposed generation installation is not eligible to be interconnected in parallel operation with the Cooperative’s distribution system.</p>
<p>6. Is the aggregate generating capacity of the proposed facility(ies) greater than 5 megavolt-amperes (5 MVA)?</p>		<p><b>Yes</b> – Terms of Interconnection and Power Sales will be evaluated on a case by case basis between the consumer, Buckeye Power Inc. and Butler Rural Electric Cooperative, Inc. Please contact the Cooperative for more information.</p> <p><b>No</b> – Proceed to question 7.</p>

<p>7. If this is a residential installation, is the aggregate generating capacity greater than 25 kilowatts (25,000 watts)? Or</p> <p>If this is a commercial installation, is the aggregate generating capacity greater than 100 kilowatts (100,000 watts)?</p>		<p><b>Yes-</b> The following sections of this manual, at a minimum will be applicable to the proposed facility: (A) (B) (C) (D) (G) (N) (O) (P) and (Q)</p> <p><b>No</b> – Proceed to Question 8</p>
<p>8. On an annual basis, will the generator produce more power than 120% of that which will be locally consumed, resulting in a net flow of power from the member to the utility grid?</p>		<p><b>Yes-</b> The following sections of this manual, at a minimum will be applicable to the proposed facility: (A) (B) (C) (D) (G) (N) (O) (P) and (Q).</p> <p><b>No</b> – Proceed to Question 9</p>
<p>9. Is this a residential solar installation?</p>		<p><b>Yes-</b> The following sections of this manual, at a minimum will be applicable to the proposed facility: (A) (B) (C) (D) (E) (F) and (M).</p> <p><b>No</b> – The following sections of this manual, at a minimum will be applicable to the proposed facility: (A) (B) (C) (D) (G) (K) (L) and (M)</p>

## **SECTION A**

# **OPERATIONAL POLICY FOR THE INTERCONNECTION AND OPERATION OF DISTRIBUTED RESOURCES (DR)**

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.  
POLICY MANUAL**

**POLICY #D-19**

**SUBJECT: OPERATIONAL POLICY FOR THE INTERCONNECTION AND OPERATION OF DISTRIBUTED RESOURCES (DR)**

**PURPOSE:**

- A. To provide compliance by the Cooperative with Rural Utilities Service (RUS) regulations, 7 C.F.R. 1730.60 through 1730.65.
- B. To avoid significant degradation of the safety, quality and reliability of Cooperative's electric power system or other electric power systems interconnected to the Cooperative's electric power system caused by the interconnection or operation of DR.
- C. To offer a fair, reasonable and non-discriminatory procedure through which the Cooperative may permit the interconnection and synchronization of certain electric generation facilities owned or operated by manufacturers and similar large commercial and industrial electric power and energy consumers, in parallel operation with the Cooperative's facilities.

**PROCEDURE:**

The provisions of this policy will extend to all Distributed Resource facilities, including facilities as defined by the Federal Energy Regulatory Commission as qualifying cogeneration facilities or small power production facilities, located within the service territory of the Cooperative.

- A. Distributed Resources:

Distributed Resources (DR) are sources of electric power that are not directly connected to a bulk power transmission system but are directly connected to the Cooperative's electric power system through a point of common coupling. DR facilities include both generators and energy storage technologies.

- B. Qualifying Cogeneration Facility:

Cogeneration is the combined production of electric energy and useful heat by the sequential use of energy from one fuel source. A Qualifying Cogeneration Facility is one which meets the ownership test as well as the

operating and efficiency standards and all other definitional requirements  
**POLICY #D-19 (Cont.)**

**SUBJECT: OPERATIONAL POLICY FOR THE INTERCONNECTION AND OPERATION OF DISTRIBUTED RESOURCES (DR)**

of Sections 201 and 210 of the Public Utility Regulatory Policies of 1978, as amended, and all governmental regulations lawfully promulgated thereunder (PURPA).

C. Qualifying Small Power Production Facility:

A Qualifying Small Power Production Facility is a facility generating not more than 80 megawatts of electric power through the employment of renewable resources such as water power, solar energy, wind energy, geothermal energy, biomass or waste, as a primary fuel and meeting all other definitional requirements of PURPA.

D. Qualifying Facility:

A Qualifying Facility means any Qualifying Cogeneration Facility or Qualifying Small Power Production Facility.

E. Permitted Synchronized Generation Facilities:

Permitted Synchronized Generation Facilities are electric generation facilities, other than Qualifying Facilities, owned or operated by manufacturers and similar large commercial and industrial electric power and energy consumers in parallel operation with adjacent electric distribution facilities of the Cooperative under circumstances where (1) such generation facilities are operated for the sole purpose of (a) providing back-up generation when it is anticipated that there is a possibility of interruption of generation service provided by the Cooperative, or (b) minimizing or eliminating the consumer's contribution to a PJM 5-CP System Annual Demand, or (c) testing the consumer's electric facilities, and (2) no electric power and energy will be introduced into the electric system of the Cooperative or any other entity.

F. PJM 5-CP System Annual Demand:

PJM 5-CP System Annual Demand shall mean any of the five highest hourly kW coincident demands of all of the members of PJM Interconnection, LLC (or any successor thereto, "PJM"), as measured and determined by PJM for purposes of determining Buckeye's annual PJM capacity charges, or such other hourly kW demands used by PJM to determine Buckeye's responsibility for annual PJM capacity charges, for

the applicable PJM planning year (June 1 – May 31), as determined by Buckeye from time to time.

**POLICY #D-19 (Cont.)**

**SUBJECT: OPERATIONAL POLICY FOR THE INTERCONNECTION AND OPERATION OF DISTRIBUTED RESOURCES (DR)**

**POLICY:**

- A. The Cooperative will permit the interconnection and parallel operation of Qualifying Facilities, consistent with Cooperative Policy Bulletin No. D-20 and Cooperative rules and regulations.
- B. With respect to DR facilities that are not Qualifying Facilities, the Cooperative will permit the interconnection and parallel operation of Permitted Synchronized Generation Facilities where (1) Buckeye has approved the same, (2) such facilities meet all of the Cooperative's Rules and Regulations, and (3) such facilities are equal to or greater than 25 kW but not more than 10 MVA.
- C. DR facilities are otherwise not permitted to interconnect with and operate in parallel with the Cooperative's electric distribution facilities except as approved by the Cooperative's Board of Trustees on a case by case basis.

**RESPONSIBILITY: General Manager**

**DELEGATED TO: Director of Engineering & Planning**

**ORIGINATION DATE: May 25, 2011**

**REVIEWED/APPROVED DATE: June 26, 2019**

## **SECTION B**

### **RULES AND REGULATIONS FOR DISTRIBUTED RESOURCES (DR)**

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.**

**POLICY MANUAL**

**POLICY #D-20**

**SUBJECT: RULES AND REGULATIONS FOR DISTRIBUTED RESOURCES (DR)  
WITH NET BILLING**

**PURPOSE:**

To provide for the safety of consumers, Cooperative personnel, and the public in general, and to assure reliable electric service consistent with the Cooperative's Operational Policy relating to DR facilities, the following rules and regulations are established for the interconnection and operation of consumer-owned or operated DR facilities. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Cooperative's Operational Policy for DR facilities.

**PROCEDURE AND POLICY:**

I. The following rules and regulations apply to all Qualifying Facilities having a capacity of not more than 5 MVA, and to all DR facilities that are not Qualifying Facilities but that are approved by Buckeye Power, Inc. ("Buckeye") and the Cooperative. Qualifying Facilities of more than 5 MVA of capacity will be treated on an individual case by case basis. These rules and regulations apply to both existing and proposed installations and are subject to change from time to time as may be deemed necessary or desirable by the Cooperative or as may be required by governmental authorities.

- A. All consumers wishing to interconnect a DR facility to the Cooperative distribution system shall submit for Cooperative review and approval detailed electrical circuit diagrams of the installation, equipment nameplate data for interface devices and control systems and a site plan. Such submittal shall be in sufficient detail to provide reasonable assurance that the DR facility can at all times be operated in a safe, reliable and lawful manner. Without limiting the generality of the foregoing, the owner or operator of the DR facility shall submit to the Cooperative a completed Application for Distributed Resource in the form approved by the Board of Trustees, subject to such additional changes as the President/General Manager of the Cooperative may deem necessary or appropriate and shall submit any application fee as may be required by the Cooperative as noted on the application. For residential solar projects under 25 kW-DC, the simplified Application for Residential Solar Generation Facility in the form approved by the Board of Trustees may be used. As a part of its application review process, the Cooperative may require an opinion as to the safety and reliability of the system from a licensed professional engineer. No DR facility shall be interconnected and synchronized with the Cooperative's electric system without the Cooperative's

**SUBJECT: RULES AND REGULATIONS FOR DISTRIBUTED RESOURCES (DR) WITH NET BILLING**

advance approval of such facility as being in compliance with these rules and regulations.

- B. If a consumer's completed application indicates that the DR facility at issue is a Qualifying Facility, the interconnection and related rights and obligations of the Cooperative and the consumer shall be governed pursuant to the agreements set forth in Paragraphs (S), (T) and (U) below. If a consumer's completed application indicates that the DR facility at issue is not a Qualifying Facility, the interconnection and/or operation of such facilities shall be governed pursuant to the agreements set forth in Paragraphs (Q) and (R) below. Only the "Responsible Party," i.e. the owner or operator of a DR facility that is proposed for interconnection to the Cooperative's distribution system, may apply for interconnection and contract with the Cooperative for the interconnection of a DR facility.
- C. The Cooperative shall clearly explain all costs to be recovered from an applicant with respect to the application process or the interconnection of a DR facility prior to the incurrence of such costs and shall incur said costs only upon the applicant's authorization thereof. The Cooperative may require separate, non-refundable deposits from an applicant prior to processing the consumer's application for the interconnection and/or operation of a DR facility, and prior to the actual interconnection of a Qualifying Facility or a Permitted Synchronized Generation Facility in such amounts as are sufficient to ensure the applicant's intent to interconnect and/or operate the DR facility in accordance with the terms hereof.
- D. The Cooperative may require that the owner or operator of a DR facility enter into a system study agreement, in substantially the form approved by the Board of Trustees, subject to such additional changes as the President/General Manager of the Cooperative may deem necessary or appropriate, setting forth the terms and conditions upon which the Cooperative will perform a system impact study to assess the ability of the existing Cooperative system to accommodate the connection and safe operation of the DR facility, including the cost to be paid by the DR facility owner or operator for such study. The owner or operator shall pay for all costs associated with any addition or alteration to the Cooperative's system required for metering and for the safe and reliable operation of the DR facility in parallel with the Cooperative's electric system, including those set forth in the system impact study. Where alterations to the Cooperative's electric system are required due to the collective presence of two or more DR facilities operating in parallel with the Cooperative, the

**SUBJECT: RULES AND REGULATIONS FOR DISTRIBUTED RESOURCES (DR)**

cost of such additions or alterations shall be shared by those owners or operators on an equitable basis to be determined by the Cooperative.

- E. The completed installation must meet all applicable local, state, and national codes, regulations or other laws, and electric utility standards for the safety of the public and personnel responsible for utility electric power system operations, maintenance, and repair, and is subject to inspection by any authorities having jurisdiction before commencement of operation; the Responsible Party is responsible for such compliance. The installation of any Qualifying Facility or Permitted Synchronized Generation Facility that will operate in parallel with the Cooperative distribution system must comply with the Cooperative's Technical Guidelines for Interconnection and Parallel Operation approved by the Board of Trustees. The Cooperative may inspect or require a test of the facility at any time without advance notice.
- F. An approved disconnecting device operable by the Cooperative and suitable for disconnecting the DR facility may be required. Any such device shall be operated in accordance with the procedures agreed to by the owner or operator and the Cooperative.
- G. After the initial installation and acceptance by the Cooperative of a DR facility, the owner or operator shall obtain approval from the Cooperative prior to making any revisions to the DR facility, interface equipment, control devices, or protective system.
- H. The control and protective system and site plan of the DR facility must be approved by the Cooperative. The control and protective system must operate in accordance with these safety and reliability standards:
  - 1. The system shall provide for the immediate automatic shutdown or separation of the DR facility's generator and storage devices from the Cooperative's lines in the event of any of the following conditions, whether emanating from the Cooperative's system or the DR facility:
    - a. Momentary or extended interruption of power on the Cooperative's lines serving the DR facility.
    - b. Deviation of frequency or voltage on the Cooperative's lines serving the DR facility from within the Cooperative's normal standards.

**SUBJECT: RULES AND REGULATIONS FOR DISTRIBUTED RESOURCES (DR)**

- c. If the DR facility is operating in parallel with three phase service, existence of abnormal rotation of phases or existence on any phase or phases of a condition listed in (a) or (b) above.
  2. The shutdown or separation shall continue until the interruption, deviation, or abnormal condition listed in (1) above has been eliminated and all applicable parameters listed in (1) above are returned to within the Cooperative's normal standards.
    - I. In the event the Cooperative determines, in its sole judgment, that the DR facility poses any safety hazard to any person or property, poses a hazard to the reliability of the Cooperative's electric system or any system with which it is connected, unreasonably interferes with the use and enjoyment of property by any person, or that the DR facility's protective equipment is operating improperly, the Cooperative, through its authorized personnel, shall have the right to enter onto the property where the DR facility is located and immediately disconnect the DR facility from its lines.
    - J. Cooperative shall have access rights to the DR facility during normal business hours and all emergency situations.
    - K. Cooperative shall require the Responsible Party for any DR facility interconnected to and operating in parallel with Cooperative's distribution system to be responsible for the safe and effective operation and maintenance of the facility and to demonstrate that the facility will be capably developed, constructed, and operated, maintained, and repaired.
    - L. The owner or operator shall pay all costs of changes for safety purposes or repairs or losses due to adverse effects on the equipment or facilities of other consumers or the Cooperative itself caused by the connection or operation of a DR facility.
    - M. Should parallel operation of a DR facility cause interference or adversely affect voltage, frequency, harmonic content, or power factor in the Cooperative's or other consumers' services, the Cooperative may require disconnection of the DR facility from the Cooperative's electric system until the condition has been corrected.
    - N. The Cooperative may require such liability insurance coverage by the DR facility owner or operator as the Cooperative determines in its sole judgment to be appropriate in the circumstances, and the owner or operator shall provide such proof of insurance coverage as may be required by the Cooperative. Review or testing of the DR facility by the

**SUBJECT: RULES AND REGULATIONS FOR DISTRIBUTED RESOURCES (DR)**

Cooperative does not constitute assumption of liability by the Cooperative for the safe, reliable, and lawful operation of the DR facility.

- O. If the owner or operator of the DR facility fails to comply with the above rules and regulations, or if the DR facility at any time constitutes a safety hazard or hazard to the reliability of the Cooperative's electric system or any system with which it is connected or is in violation of any code, regulation or law, the Cooperative may at any time require termination of operation of the DR facility and the owner or operator shall be liable for any loss, damage or injury resulting from such failure, hazard or violation.
- P. Connections between a DR facility and the electric system of the Cooperative shall only be made pursuant to a written contract between the Cooperative and the owner or operator of such facility which shall be in accordance with applicable laws as well as the applicable rules, regulations, policies, and rate schedules of the Cooperative.
- Q. If a DR facility is a Permitted Synchronized Generation Facility, and will therefore interconnect to and operate in parallel with Cooperative's electric distribution system, Cooperative shall require the owner or operator of such facility to enter into an Agreement for Electric Service with an Appendix, in substantially the form approved by the Board of Trustees, subject to such additional changes as the President/General Manager of the Cooperative may deem necessary or appropriate, setting forth the terms and conditions for synchronization of generation, which shall be in accordance with applicable laws as well as the applicable rules, regulations, policies and rate schedules of the Cooperative.
- R. If a DR facility is operated for purposes of minimizing the consumer's contribution to a PJM 5-CP System Annual Demand, i.e. peak-shaving, Cooperative may enter into an agreement with consumer and Buckeye, in substantially the form approved by the Board of Trustees, subject to such additional changes as the President/General Manager of the Cooperative may deem necessary or appropriate, setting forth the terms and conditions upon which Cooperative will sell to consumer and install, and Buckeye will control the activation of, a peak warning device.
- S. If (i) a DR facility is a non-residential consumer's Qualifying Facility up to 100 kW, or a residential consumer's Qualifying Facility up to 25 kW, and (ii) the output of such facility is not reasonably anticipated to exceed the annual electric energy requirements of the consumer, Cooperative shall require the owner or operator of such facility to enter into:

**SUBJECT: RULES AND REGULATIONS FOR DISTRIBUTED RESOURCES (DR)**

1. An agreement setting forth the terms and conditions for the interconnection and parallel operation of such Qualifying Facility, in substantially the form approved by the Board of Trustees, subject to such additional changes as the President/General Manager of the Cooperative may deem necessary or appropriate; and
  2. An agreement setting forth the terms and conditions for electric service with net billing for such Qualifying Facility, in substantially the form approved by the Board of Trustees, subject to such additional changes as the President/General Manager of the Cooperative may deem necessary or appropriate, and attaching the Net Billing Rate Schedule, in substantially the form approved by the Board of Trustees, subject to such additional changes as the President/General Manager of the Cooperative may deem necessary or appropriate.
  3. For residential solar project, in lieu of the above referenced agreements, a simplified agreement setting forth the terms and conditions for interconnection and parallel operation of the residential solar project and the terms and conditions for electric service with net billing for such residential solar project in substantially the form approved by the Board of Trustees, may be used. Such agreement shall be subject to such additional changes as the President/General Manager of the Cooperative may deem necessary or appropriate, and attaching the Net Billing Rate Schedule, in substantially the form approved by the Board of Trustees, subject to such additional changes as the President/General Manager of the Cooperative may deem necessary or appropriate.
- T. If (i) a DR facility is a non-residential consumer's Qualifying Facility greater than 100 kW, or a residential consumer's Qualifying Facility greater than 25 kW, but not more than 5 MVA, or (ii) the output of a non-residential consumer's Qualifying Facility up to 100 kW or a residential consumer's Qualifying Facility up to 25 kW is reasonably anticipated to exceed the annual electric energy requirements of the consumer, the Cooperative shall require the owner or operator of such facility to enter into:
1. An agreement setting forth the terms and conditions for the interconnection and parallel operation of such Qualifying Facility, in substantially the form approved by the Board of Trustees, subject to such additional changes as the President/General Manager of the Cooperative may deem necessary or appropriate; and

**SUBJECT: RULES AND REGULATIONS FOR DISTRIBUTED RESOURCES (DR)**

2.
  - a. If the consumer is selling the net output of the Qualifying Facility to Buckeye, an agreement setting forth the terms and conditions for back-up and supplementary electric service, in substantially the form approved by the Board of Trustees, subject to such additional changes as the President/General Manager of the Cooperative may deem necessary or appropriate, and attaching the Back-Up and Supplementary Electric Service Rate Schedule, in substantially the form approved by the Board of Trustees, subject to such additional changes as the President/General Manager of the Cooperative may deem necessary or appropriate; or
  - b. If the consumer is selling the gross output of the Qualifying Facility to Buckeye, the Cooperative's standard agreement for electric service and regular retail rate schedule, subject to such additional changes as the President/general Manager of the Cooperative may deem necessary or appropriate.
  
- U. If a DR facility is a Qualifying Facility greater than 5 MVA and Buckeye, the Cooperative member, and the consumer have agreed on the terms and conditions for service, the Cooperative shall require the owner or operator of such facility to enter into such agreements as determined on a case by case basis.

<b>RESPONSIBILITY:</b>	<b>General Manager</b>
<b>DELEGATED TO:</b>	<b>Manager of Engineering</b>
<b>ORIGINATION DATE:</b>	<b>May 25, 2011</b>
<b>REVIEWED/APPROVED DATE:</b>	<b>March 31, 2021</b>

## **SECTION C**

### **AMENDED and RESTATED OPERATIONAL POLICY for QUALIFYING COGENERATION AND SMALL POWER PRODUCTION FACILITIES**

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.**

**POLICY MANUAL**

**POLICY # D-21**

**SUBJECT: OPERATIONAL POLICIES for QUALIFYING COGENERATION and SMALL POWER PRODUCTION FACILITIES WITH NET BILLING**

**PURPOSE:**

- A. To provide compliance by the Cooperative with the requirements of Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978, as amended, and all governmental regulations lawfully promulgated thereunder (PURPA).
- B. To encourage the development of cogeneration and small power production facilities which will conserve oil, gas, coal and other nonrenewable resources in accordance with the requirements of PURPA.
- C. To offer a fair, reasonable and nondiscriminatory procedure through which the Cooperative may interconnect with qualifying cogeneration and small power production facilities in accordance with the requirements of PURPA.

**PROCEDURE:**

The provisions of this policy will extend to all facilities as defined by the Federal Energy Regulatory Commission as qualifying cogeneration facilities or small power production facilities located within the service territory of the Cooperative.

A. Qualifying Cogeneration Facility:

Cogeneration is the combined production of electric energy and useful heat by the sequential use of energy from one fuel source. A qualifying cogeneration facility is one which meets the ownership test as well as the operating and efficiency standards and all other definitional requirements of PURPA.

B. Qualifying Small Power Production Facility:

A small power production facility is a facility generating not more than 80 megawatts of electric power through the employment of renewable resources such as water power, solar energy, wind energy, geothermal energy, biomass or waste, as a primary fuel and meeting all other definitional requirements of PURPA.

C. Qualifying Facility:

A qualifying facility means any qualifying cogeneration facility or qualifying small power production facility.

**SUBJECT: OPERATIONAL POLICIES for QUALIFYING COGENERATION and  
SMALL POWER PRODUCTION FACILITIES WITH NET BILLING**

**POLICY:**

- A. The Cooperative will interconnect with and operate in parallel with any qualifying facility which meets all of the Cooperative's rules and regulations.
- B. The Cooperative will net bill the energy of each of its non-residential consumer's qualifying facilities having a design capacity of 100 kilowatts or less, and each of its residential consumer's qualifying facilities having a design capacity of 25 kilowatts or less, in circumstances where the output of such facility is not reasonably anticipated to exceed the annual electric energy requirements of the consumer, at rates and upon terms and conditions as set forth in the rules, regulations, policies and applicable rate schedules of the Cooperative.
- C. Buckeye will purchase the energy and associated capacity of each qualifying facility, at rates and upon terms and conditions as set forth in the rules, regulations, policies and applicable rate schedules of Buckeye, in the following circumstances:
  - (1) When the output of a non-residential consumer's qualifying facility is greater than 100 kilowatts but no more than 5 MVA; or
  - (2) When the output of a residential consumer's qualifying facility is greater than 25 kilowatts but not more than 5 MVA; or
  - (3) When the output of a qualifying facility up to 100 kilowatts, in the case of a non-residential consumer's facility, or up to 25 kilowatts, in the case of a residential consumer's facility, is reasonably anticipated to exceed the annual electric energy requirements of the consumer, or
  - (4) When the output of the qualifying facility is greater than 5 MVA and Buckeye, the Cooperative, and the consumer have agreed on the terms and conditions for service.

**SUBJECT: QUALIFYING COGENERATION and SMALL POWER PRODUCTION FACILITIES**

- D. Purchases of electric energy and the associated capacity from a qualifying facility having a design capacity of greater than 5 MVA shall be at rates and upon terms and conditions to be determined on a case by case basis and provided by contract between Buckeye and the qualifying facility owner. The purchase of electric energy and the associated capacity from such a qualifying facility will be at a rate which reflects at least Buckeye's actual avoided costs, taking into account all relevant factors.
- E. The Cooperative will sell electric energy and the associated capacity to any net billed qualifying facility at rates and upon terms and conditions as specified in the Cooperative's applicable rules, regulations, policies and rate schedules.
- F. The Cooperative will sell back-up and supplementary energy and the associated capacity to any qualifying facility whose output is purchased directly by Buckeye, at rates and upon terms and conditions as specified in the Cooperative's applicable rules, regulations, policies and rate schedules.
- G. The owner or operator of a qualifying facility who desires to interconnect the facility with the electric system of the Cooperative shall pay all costs associated with the interconnection.
- H. The Cooperative shall develop and administer rules, regulations and one or more rate schedules in cooperation with Buckeye covering interconnections with and purchases from qualifying facilities which have a design capacity of not more than 5 MVA.
- I. The Cooperative shall cooperate with Buckeye in developing on a case by case basis, agreements covering interconnection with any qualifying facility having a design capacity of more than 5 MVA.

**RESPONSIBILITY:** General Manager

**DELEGATED TO:** Manager of Engineering

**ORIGINATION DATE:** May 25, 2011

**REVIEWED/APPROVED DATE:** March 31, 2021

**SECTION D**

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.  
TECHNICAL GUIDELINES  
FOR INTERCONNECTION AND PARALLEL OPERATION**

Butler Rural Electric Cooperative, Inc.  
Technical Guidelines  
for Interconnection and Parallel Operation

APPLICABILITY

These rules apply to interconnection and parallel operation of DR (Distributed Resource) equipment that, in sum, is rated less than 10 MVA on radially operated Cooperative distribution lines up to 12.47 Kv three phase (7.2 Kv single phase). Interconnections to higher voltage lines will be made at the discretion of the Cooperative.

1.0 DEFINITIONS

**Distributed Resource (DR)/ DR Facility** – Any source of electric power that is not directly connected to the bulk power transmission system, having an installed capacity of not more than 10 MVA, connected to Cooperative’s electric power system through a point of common coupling, including both generators and energy storage technologies, including any qualifying cogeneration or small power production facility meeting all definitional requirements under the Public Utility Regulatory Policies Act of 1978, as amended, and all governmental regulations lawfully promulgated thereunder (Qualifying Facility), as well as any Permitted Synchronized Generation Facilities.

**Flicker** – A variation of input voltage sufficient in magnitude and duration to allow visual observation of a change in electric lighting source intensity, as defined in IEEE Standard 141-1993. See Also Exhibit 1, attached, specifically the curve “Border Line of Visibility”.

**Facilities Study** – An engineering study conducted to determine the modifications to the existing cooperative system that will be needed to accommodate connection and safe operation of the DR Facility.

**Harmonic Distortion** – Distortion of the normal sine waveform; typically caused by nonlinear loads or by inverters attached to the system on customer premises.

**Interconnection Agreement** – A legal contract for the connection of the DR Facility to the Cooperative’s lines, specifying the location, size, cost, manner of payment, terms of operation, and respective responsibilities of the Cooperative and the DR Facility owner.

**Permitted Synchronized Generation Facilities** – Electric generation facilities equal to or greater than 25 kW but not more than 10 MVA, other than Qualifying Facilities, owned or operated by manufacturers and similar large commercial and industrial electric power and energy consumers in parallel operation with adjacent electric distribution facilities of the Cooperative under circumstances where (1) such generation facilities are operated for the sole purpose of (a) providing back-up generation when it is anticipated

that there is a possibility of interruption of generation service provided by the Cooperative, or (b) minimizing or eliminating the consumer's contribution to a PJM 5-CP System Annual Demand, or (c) testing the consumer's electric facilities, and (2) no electric power and energy will be introduced into the electric system of the Cooperative or any other entity.

**Point of Common Coupling** – The point at which a DR Facility is connected to the Cooperative's electric distribution system.

**Radially Operated System** – An electric distribution system that is normally operated with only one supplying line connected to a load at any one time.

**Single Phasing Condition** – Occurs when electric flow through one phase of a three-phase supply line or device is interrupted.

**Short Circuit Contribution** – The result, expressed as a percentage, of dividing the maximum short circuit contribution of the DR Facility (or Facilities) by the short circuit contribution available from the Cooperative's system, without the DR Facility (or Facilities).

**Supplemental Review** - Review of functional technical requirements to determine acceptability of equipment to be used to connect and safely operate the DR Facility on the Cooperative's lines.

**System Impact Study** – An engineering study to assess the ability of the existing cooperative system to accommodate connection and safe operation of the DR Facility.

**Unintentional Island** – An unplanned condition where a portion of the Cooperative's electric distribution system that is physically disconnected from the Cooperative's power supply remains energized because of power supplied by one or more DR facilities.

## 2.0 CUSTOMER DESIGN REQUIREMENTS

For an interconnection to be safe to Cooperative employees and equipment and to other customers, the following minimum conditions are required to be met by DR Facilities. At the discretion of the Cooperative, additional conditions may be required:

2.1 DR Facilities must meet all applicable national, state, and local construction, operation, and maintenance related safety codes, such as National Electrical Code (NEC), National Electrical Safety Code (NESC), and Occupational Safety and Health Administration (OSHA) requirements. All interconnections of DR Facilities must comply with IEEE 1547 – Standard for Interconnecting Distributed Resources with Electric Power Systems, approved June 12, 2003, and IEEE 1547.1 – Standard Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems, approved June 9, 2005, which standards are incorporated herein.

2.2 DR Facility owner must provide the Cooperative with a one-line diagram showing the configuration of the proposed DR system, including the protection and controls, disconnection devices, nameplate rating of each device, power factor rating, transformer connections, and other information deemed relevant by the DR owner and/or the Cooperative. If the proposed DR system does not pass the screening process for simplified interconnection, Exhibit 2 attached hereto, additional information may be necessary from the DR Facility owner, and Cooperative system changes may be required. In no event, other than from a Qualifying Facility, shall a consumer deliver into the electric distribution system of the Cooperative any of the electric power or energy, ancillary services (including, without limitation, reactive power), or other output of a DR facility. The owner or operator of the DR Facility, other than a Qualifying Facility, shall provide, install, own, operate and maintain, at its own cost and expense, all facilities and equipment as are required to prevent delivery into the Cooperative's electric distribution system of any of the electric power or energy, ancillary services (including, without limitation, reactive power), or other output of the DR Facility.

2.3 DR equipment must be equipped with adequate protection and control to trip<sup>1</sup> the unit off line during abnormal<sup>2</sup> system conditions, according to the following requirements:

2.3.1 Undervoltage or overvoltage within the trip time indicated below. By agreement of both the DR owner and the Cooperative, different settings maybe used for the under voltage and over voltage trip levels or time delays.

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<sup>1</sup> To trip is to automatically (without human intervention required) open the appropriate disconnection device to separate the DR equipment from the power system.

<sup>2</sup> Abnormal system conditions include faults due to adverse weather conditions including but not limited to, floods, lightning, vandalism, and other acts that are not under the control of the Cooperative. This may also result from improper design and operation of customer facilities resulting from non-compliance with accepted industry practices.

V= Nominal System Voltage	Maximum Trip Time
V<50%	10 cycles
50%<V<88%	120 cycles
110%<V<120%	60 cycles
V>120%	6 cycles

2.3.2 For three phase generation, loss of balanced three-phase voltage or a single phasing condition within the trip times indicated in 2.3.1 when voltage on at least one phase reaches the abnormal voltage levels.

2.3.3 Underfrequency or overfrequency: All DR Facilities shall follow the associated Cooperative distribution line frequency within the range 59.3 Hz to 60.5 Hz. DR Facilities rated at less than 10 kW shall disconnect from the Cooperative within 10 cycles if the frequency goes outside this range. A DR rated more than 10 kW shall (1) disconnect from the Cooperative within 10 cycles if the frequency exceeds 60.5 Hz, and (2) be capable of time delayed disconnection for frequencies in the range 59.3 Hz to 57 Hz. By agreement of both the DR operator and the Cooperative, different settings may be used for the under frequency and over frequency trip levels or time delays.

2.4 DR equipment requires the following additional protection to avoid damage to the Cooperative's system during normal, as well as abnormal system conditions.

2.4.1 Synchronizing controls to insure a safe interconnection with the Cooperative's distribution system. The DR equipment must be capable of interconnection with minimum voltage and current disturbances. Synchronous generator installations, as well as other types of installations, must meet the following: slip frequency less than 0.2 Hz, voltage deviation less than  $\pm 10\%$ , phase angle deviation less than  $\pm 10$  degrees, breaker closure time compensation (not needed for automatic synchronizer that can control machine speed).

2.4.2 A disconnect switch to isolate the DR equipment for purposes of safety during maintenance and during emergency conditions. The Cooperative may require a disconnect device to be provided, installed by, and paid for by the customer, which is readily accessible to and operable and lockable by Cooperative personnel, either at the primary voltage level, which shall include a lockable disconnect and a visible open, may include load-break cutouts, switches, and elbows or, on the secondary voltage level, which may include a secondary breaker or switch. The switch must be clearly labeled as a DR disconnect switch.

2.5 DR equipment must have adequate fault interruption and withstand capacity, and adequate continuous current and voltage rating to operate properly<sup>3</sup> with the Cooperative's system. A three-phase device shall interrupt all three phases simultaneously. The tripping control of the circuit interrupting device shall be powered independently of the utility AC source, for example by a battery or stored energy device, in order to permit operation upon loss of the Cooperative distribution system connection.

2.6 Test results shall be supplied by the manufacturer or independent testing lab that verify, to the satisfaction of the Cooperative, compliance with the following requirements contained in this document<sup>4</sup>:

- 2.6.1 Over/Under Voltage Trip Settings (ref. 2.3.1)
- 2.6.2 Over/Under Frequency Trip Settings (ref 2.3.3)
- 2.6.3 Synchronization (ref 2.4.1)
- 2.6.4 Harmonic Limits (tested at 25%<sup>5</sup> of full load rating or at a level as close to the minimum level of rated output the unit is designed to operate as practical and at a level as close to 100% of full load rating as practical) (ref 2.7)
- 2.6.5 DC Current Injection Limits (Inverters) (ref 2.8)
- 2.6.6 Anti-Islanding (Inverters) (2.13)
- 2.6.7 Prevent Connection or Reconnection to De-energized System (ref 2.14)

If test results are acceptable to the Cooperative and if requested by a manufacturer, the Cooperative may supply a letter indicating the protective and control functions for a specific DR Facility model are approved for interconnection with the Cooperative's distribution system, subject to the other requirements in this document. The Cooperative reserves the right to review the suitability of previously approved protective and control functions.

The DR Facility owner shall have the DR Facility inspected by the Cooperative and any required local inspectors (i) to verify correct protective settings and connections of the DR Facility to the Cooperative system prior to the first parallel operation, and (ii) shall have testing performed to the satisfaction of the Cooperative to verify proper operation of the DR Facility.

2.7 Harmonics and Flicker: The DR equipment shall not be a source of excessive harmonic voltage and current distortion and/or voltage flicker. Limits for harmonic distortion (including inductive telephone influence factors) will be as published in the latest issues of ANSI/IEEE 519, "Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems." Flicker occurring at the point

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<sup>3</sup> Properly, in this context, means within the acceptable Cooperative or industry established practices.

<sup>4</sup> For photovoltaic systems, a certification that the testing requirements of UL 1741 have been met may be used in place of these tests.

<sup>5</sup> If the device is not designed to operate at this level, then the test should be at the lowest level at which it is designed to operate.

of compliance shall remain below the Border Line of Visibility curve on the IEEE/GE curve for fluctuations less than 1 per second or greater than 10 per second. However, in the range of 1 to 10 fluctuations per second, voltage flicker shall remain below 0.4%. Refer to Exhibit 1. When there is reasonable cause for concern due to the nature of the generation and its location, the Cooperative may require the installation of a monitoring system to permit ongoing assessment of compliance with these criteria. The monitoring system, if required, will be installed at the DR owner's expense. Situations where high harmonic voltages and/or currents originate from the distribution system are to be addressed in the Interconnection Agreement.

- 2.8 DC Current Injection from inverters shall be maintained at or below 0.5% of full rated inverter output current into the point of common coupling.
- 2.9 The DR Facility's generated voltage shall follow, not attempt to oppose or regulate, changes in the prevailing voltage level of the Cooperative at the point of common coupling, unless otherwise agreed to by the operators of the DR Facility and the Cooperative. DR Facilities installed on the downstream (load) side of the Cooperative's voltage regulators shall not degrade the voltage regulation provided to the downstream customers of the Cooperative to service voltages outside the limits of ANSI 84.1, Range A.
- 2.10 System Grounding: The DR Facility shall be grounded in accordance with applicable codes. The interconnection of the DR equipment with the Cooperative's system shall be compatible with the neutral grounding method in use on the Cooperative's system. For interconnections through a transformer to Cooperative system primary feeders of multi-grounded, four-wire construction, or to tap lines of such systems, the maximum unfaulted phase (line-to-ground) voltages on the Cooperative system primary feeder during single line-to-ground fault conditions with the Cooperative system source disconnected, shall not exceed those voltages which would occur during the fault with the Cooperative system source connected and no DR Facilities connected.
- 2.11 System Protection: The DR owner is responsible for providing adequate protection to Cooperative facilities for conditions arising from the operation of generation under all Cooperative distribution system operating conditions. The owner is also responsible for providing adequate protection to their facility under any Cooperative distribution system operating condition whether or not their DR is in operation. Such conditions may include but are not limited to:
1. Loss of a single phase of supply,
  2. Distribution system faults,
  3. Equipment failures,
  4. Abnormal voltage or frequency,
  5. Lightning and switching surges,
  6. Excessive harmonic voltages,

7. Excessive negative sequence voltages,
8. Separation from supply,
9. Synchronizing generation, and
10. Re-synchronizing the Owner's generation after electric restoration of the supply.

2.12 Feeder Protective Coordination. In the case of a Cooperative protective function initiating a trip of a Cooperative protective device, the DR Facility protection and controls shall be designed to coordinate with the Cooperative protective device and shall isolate the DR Facility from the Cooperative's lines.

2.13 Unintentional islanding: For an unintentional island in which the DR and a portion of the Cooperative's system remain energized through the point of common coupling, the DR shall cease to energize the Cooperative system.

2.14 The DR shall be designed to prevent the DR Facility from being connected to a de-energized Cooperative system. The customer should not reconnect the DR Facility to the Cooperative's system after a trip from a system protection device until the Cooperative's system is re-energized for a minimum of five minutes.

2.15 If the customer connects a backup generator directly to the customer's wiring to serve any load on the customer's site, he shall utilize a double-throw transfer switch in order to ensure that no power is fed back onto the Cooperative's distribution system. *This is a critical safety requirement.*

2.16 Voltage deviation from normal Cooperative line voltage at the point of common coupling caused by the DR Facility shall not under any condition exceed 3%, calculated by dividing the maximum deviation from average line voltage by the average line voltage, with the result multiplied by 100.

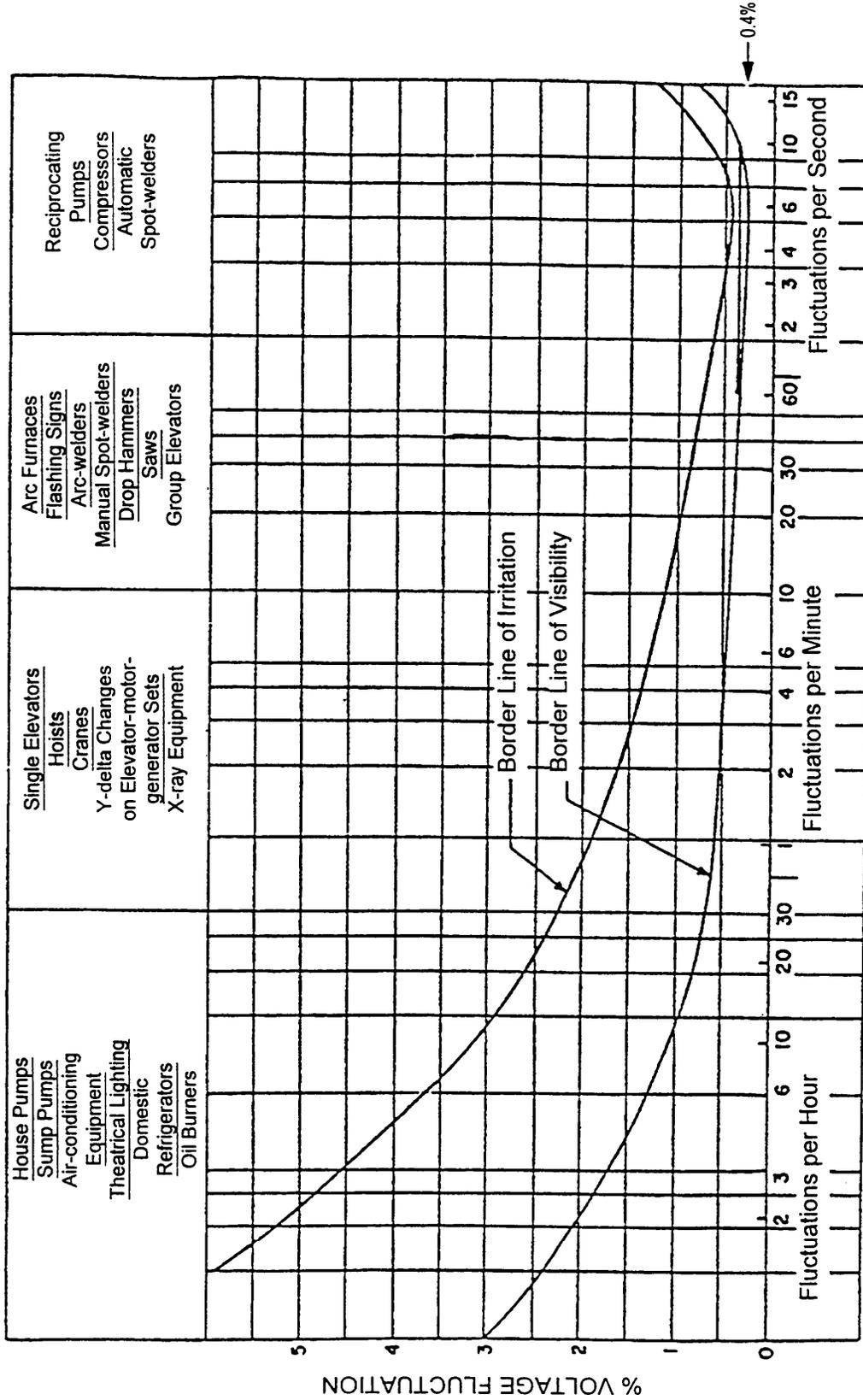
### 3.0 CUSTOMER OPERATING PROCEDURES

3.1 If high-voltage, low-voltage, or voltage flicker complaints arise from other customers due to the operation of customer DR, the customer may be required to disconnect his or her generation equipment from the Cooperative's system until the problem has been resolved.

3.2 The operation of the DR equipment must not result in harmonic currents or voltages at the point of common coupling that will interfere with the Cooperative's metering accuracy and/or proper operation of facilities and/or with the loads of other customers. Such adverse effects may include, but are not limited to heating of wiring and equipment, over voltage, communication interference, etc. If such a condition is found, the Cooperative may require the DR Facility to be disconnected from the Cooperative lines until the problem is resolved.

3.3 The DR Facility owner must discontinue parallel operation when requested by the Cooperative after prior notice. If the Cooperative has notified the DR Facility owner that an emergency situation exists, the DR Facility owner shall immediately discontinue parallel operation of the DR Facility with the Cooperative's lines.

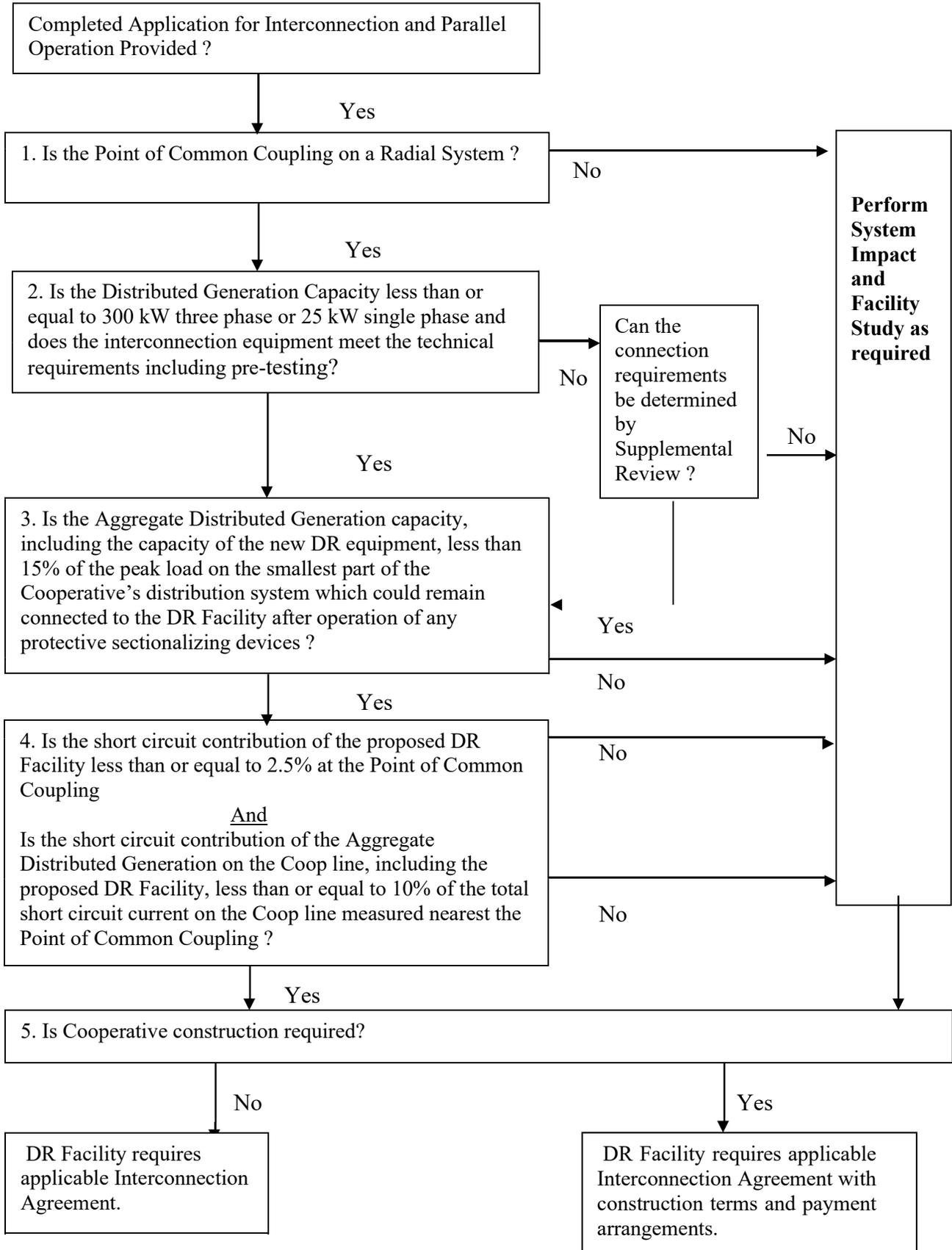
# Exhibit 1



Composite curve of voltage flicker studies by General Electric Company, General Electric Review, August 1925; Kansas City Power & Light Company, Electrical World, May 19, 1934; T&D Committee, EEI, October 24, 1934, Chicago; Detroit Edison Company; West Pennsylvania Power Company; Public Service Company of Northern Illinois.

**Relations of Voltage Fluctuations to Frequency of Their Occurrence (Incandescent Lamps)**

## INTERCONNECTION REQUEST SCREENING PROCESS



## **SECTION E**

### **SIMPLIFIED APPLICATION FOR RESIDENTIAL SOLAR GENERATION FACILITY $\leq$ 25 KW-DC**

**APPLICATION FOR RESIDENTIAL SOLAR GENERATION FACILITY**  
**(< OR = 25 KW-DC)**  
**APPLICATION FEE OF \$360 REQUIRED**

Return Completed Application to: Butler Rural Electric Cooperative, Inc.  
Attention: Rick Zhang  
3888 Stillwell Beckett Road  
Oxford, OH 45056

Member's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address:

Service Address: \_\_\_\_\_

Information Prepared and Submitted By: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address:

This application requires the following to be considered complete:

- One-line diagram
- Site drawing that shows location of inverter, modules, battery, meter, and accessible disconnect switch
- Spec sheet for inverter(s)
- Spec sheet for PV module(s)
- Spec sheet for Battery
- Payment of Application Fee

For residential installations of less than 25kW DC, the Distributed Generation application fee of \$360.00 will recover the cost of reviewing the application, programming, and providing a net billing meter, and the labor associated with inspection and testing of the distributed generation and installation of the meter.

The following information shall be supplied by the Customer or Customer's designated representative. All applicable items must be accurately completed in order that the Customer's generating facilities may be effectively evaluated for interconnection with the Cooperative's Distribution System.

**SOLAR GENERATOR DETAILS**

PV Module Rating (W-DC): \_\_\_\_\_

Number of PV Modules: \_\_\_\_\_

Total PV Module Rating (kW-DC): \_\_\_\_\_

Inverter Type (String, Micro, or Other): \_\_\_\_\_

Number of Inverters: \_\_\_\_\_

Manufacturer: \_\_\_\_\_

Individual Inverter Rating (kW-AC) \_\_\_\_\_

Total Rating of all combined Inverters (kW-AC) \_\_\_\_\_

Do you plan to interconnect the generator and operate in parallel with the Cooperative's electric distribution facilities?      \_\_\_\_\_ Yes      \_\_\_\_\_ No

Is there a backup battery storage system?      \_\_\_\_\_ Yes      \_\_\_\_\_ No

If Yes, Number of Batteries      \_\_\_\_\_      Battery Capacity(kWh)      \_\_\_\_\_

Peak Output Power AC (kW or kVA)      \_\_\_\_\_

Can the battery export power to the grid in any storage mode?      \_\_\_\_\_ Yes      \_\_\_\_\_ No

Estimated annual production of electric energy from solar generation:      \_\_\_\_\_ Kilowatt-hours

Estimated annual requirements for electric energy at the service address:      \_\_\_\_\_ Kilowatt-hours

Expected Energizing and Start-up Date \_\_\_\_\_

Checks are payable to

Butler Rural Electric Cooperative, Inc. at 3888 Stillwell-Beckett Road, Oxford, OH 45056

DATE:      [CUSTOMER NAME]

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **SECTION F**

### **SERVICE AND INTERCONNECTION AGREEMENT FOR RESIDENTIAL SOLAR FACILITIES $\leq$ 25 KW-DC**

AGREEMENT FOR INTERCONNECTION AND ELECTRIC SERVICE  
FOR RESIDENTIAL SOLAR POWER PRODUCTION FACILITIES  
WITH NET BILLING

This Agreement, made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, between Butler Rural Electric Cooperative, Inc. (hereinafter called “the Power Company”) and \_\_\_\_\_ (hereinafter called the “Consumer”), whose mailing address is \_\_\_\_\_, for electric service at \_\_\_\_\_ situated generally at the intersection of \_\_\_\_\_ and \_\_\_\_\_ in \_\_\_\_\_, \_\_\_\_\_ County, Ohio (hereinafter called the “Premises”);

**WITNESSETH:**

WHEREAS, the Power Company is a not-for-profit corporation organized under the laws of the State of Ohio engaged in the business of selling electric power and energy with its principal place of business in Butler County, Ohio; and

WHEREAS, the Consumer is a residential consumer who owns and operates all land and facilities located on the Premises; and

WHEREAS, the Consumer has or will install on the Premises certain consumer-owned solar photovoltaic electric generating facilities 25 kW or less in the aggregate (the “Electric Generating Facility”); and

WHEREAS, the Electric Generating Facility is a certified qualifying cogeneration or small power production facility under the Public Utility Regulatory Policies Act of 1978, as amended, and all governmental regulations lawfully promulgated thereunder (“PURPA”); and

WHEREAS, the output of the Electric Generating Facility is not reasonably anticipated to exceed the annual electric energy requirements of Consumer’s electric consuming facilities located on the Premises, as described herein; and

WHEREAS, the Consumer desires to interconnect the Electric Generating Facility to the Power Company’s electric distribution system and to use the output of the Electric Generating Facility to first meet the requirements of the Consumer’s electric consuming facilities located on the Premises and then transfer and sell to Buckeye Power, Inc. any such output in excess of the requirements of the Consumer’s electric consuming facilities and receive a credit against the Consumer’s monthly bill for electric service under the Net Billing arrangements described in this Agreement, and the Power Company’s Net Billing Rate Schedule, which is attached hereto; and

WHEREAS, the Power Company desires to sell, and the Consumer desires to purchase, electric power and energy to meet the requirements of Consumer’s electric consuming facilities not served by the Electric Generating Facility under the terms and conditions hereinafter set forth; and

WHEREAS, the Consumer understands, in accordance with Butler Rural Electric Cooperative policies, use of distributed generation resources will prevent or end participation in the cooperative's Geothermal, Dual Fuel and Air-to-Air Heat Pump programs; and

WHEREAS, a single meter or pair of meters has been or will be installed at the Premises, which meter or meters is/are capable of registering the flow of electricity in each direction from Power Company's electric distribution system to Consumer's electric consuming facilities on the Premises, and from Consumer's Electric Generating Facility to Power Company's electric distribution system, at the point of interconnection ("Net Billing");

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. Subject to the terms and conditions of this Agreement, the Power Company shall sell and deliver to the Consumer, and the Consumer shall purchase and receive, all of the electric power and energy which the Consumer may need at the Premises up to 25 kW, except for any such electric demand and energy which is served by Consumer's Electric Generating Facility.
2. Service hereunder shall be alternating current, single-phase, 60 cycles, 240 volts.
3. The Consumer shall pay the Power Company for service hereunder at the rate and upon the terms and conditions set forth in the Power Company's Net Billing Rate Schedule, which is attached hereto and made a part of this Agreement as if fully restated herein. The Power Company's Net Billing Rate Schedule will be superseded by any new or amended Net Billing Rate Schedule or any successor rate schedule as approved from time to time by the Board of Trustees of the Power Company. Payment for the service provided hereunder shall be made at the office of the Power Company located in Butler County, Ohio, or at such other place as the Power Company shall hereafter designate in writing.
4. If the Consumer shall fail to make any such payment within fifteen (15) days after such payment is due, the Power Company may discontinue service to the Consumer upon giving no less than fifteen (15) days written notice to the Consumer of its intention to do so, provided however, that such discontinuance of service shall not relieve the Consumer of any of its obligations under this Agreement.
5. The Consumer is or shall become a member of the Power Company and be bound by such rules and regulations as may from time to time be adopted by the Power Company.
6. The Consumer shall not use the electric power and energy furnished hereunder as an auxiliary or supplement to any other source of electric power and energy and shall not sell or transfer to others the electric power and energy purchased hereunder, without permission of the Power Company; provided, however, that Consumer may operate the Electric Generating Facility upon the terms and conditions and for the purposes set forth in this Agreement and the Power Company's Net Billing Rate Schedule which is attached hereto and made a part of this Agreement as if fully restated herein. The

Consumer represents and warrants to the Power Company that the Electric Generating Facility is a certified qualifying cogeneration or small power production facility under PURPA. The Consumer represents and warrants to the Power Company that the output of the Electric Generating Facility is not reasonably anticipated to exceed the annual electric energy requirements of Consumer's electric consuming facilities located on the Premises. For purposes of this Agreement, the Electric Generating Facility's output will be presumed to be "not reasonably anticipated to exceed the annual electric energy requirements of the Consumer's electric consuming facilities located on the Premises" if the Electric Generating Facility annually generates less than one hundred and twenty percent (120%) of the Consumer's annual electric energy requirements. The Consumer's "annual electric energy requirements" shall be the average amount of electricity consumed annually by the Consumer for the electric consuming facilities located on the Premises over the previous three years, using the annual period of June 1 to May 31. If the Power Company does not have the data or cannot calculate the average amount of electricity consumed annually over the previous three years, such as in instances of new construction or vacant properties, the Power Company shall use any available consumption data to estimate the annual electricity consumption for the Consumer's electric consuming facilities located on the Premises and provide the estimation data to the Consumer. If the Electric Generating Facility annually generates one hundred and twenty percent (120%) or more of the Consumer's annual electric energy requirements, determined as set forth above, the Electric Generating Facility's output will be presumed to be "reasonably anticipated to exceed the annual electric energy requirements of the Consumer's electric consuming facilities located on the Premises," and the Power Company may, in its sole discretion, elect to cease providing electric service to the Consumer pursuant to the Power Company's Net Billing Rate Schedule and, instead, elect to provide electric service to the Consumer at the rate and upon the terms and conditions set forth in the Power Company's Back-Up and Supplementary Electric Service Rate Schedule, and require the Consumer to (a) sell the output of the Electric Generating Facility to Buckeye Power, Inc. ("Buckeye") on an hourly basis at Buckeye's purchase rate, as determined by Buckeye in its sole discretion, (b) reimburse the Power Company for the cost of the installation of hourly metering facilities (currently estimated to cost up to \$450, (c) reimburse Buckeye for the cost of its telemetering facilities (currently estimated to cost up to \$10,000), (d) pay Buckeye a monthly billing and service fee (currently \$100 per month), and (e) terminate this Agreement and enter into a Power Purchase Agreement with Buckeye, an Agreement for Electric Service for Back-Up and Supplementary Electric Service with the Power Company, and an Agreement for Interconnection and Parallel Operation with the Power Company, to contemplate the elimination of net billing and the purchase of the Electric Generating Facility output by Buckeye on an hourly basis at Buckeye's purchase rate.

7. The Consumer shall use the output of the Electric Generating Facility first to meet the requirements of Consumer's electric consuming facilities located on the Premises. The Power Company shall use an instantaneous kWh net billing period to measure the Consumer's net production. The net production output shall be measured by determining during each such period the production in kilowatt- hours (kWh) of the Electric Generating Facility in excess of the requirements of the Consumer's electric consumer facilities. Any such output of the Electric Generating Facility in excess of the requirements of Consumer's electric consuming facilities shall be sold to Buckeye Power, Inc. The Power Company shall bill the net electric usage pursuant to the Power Company's applicable Net Billing Rate Schedule, and credit the net electric output at Buckeye's purchase rate, on a dollar for dollar basis. In the event that the Consumer generates net positive kWh output during any such kWh netting period, (a) the Power Company will inform Buckeye Power, Inc. of the existence of such excess net kWh output; (b) Buckeye Power, Inc. will purchase such excess net kWh output at Buckeye Power, Inc.'s purchase rate, as determined by Buckeye Power, Inc. in its sole discretion, and credit Power Company's wholesale power bill for such dollar amount on a monthly basis; (c) the Power Company's load shall not be reduced by the amount of such excess net kWh output purchased by Buckeye Power, Inc. on a monthly basis, and the Power Company's load may need to be increased for Buckeye Power, Inc. wholesale power billing purposes by the amount of such excess net kWh output purchased by Buckeye Power, Inc., if the Consumer's qualifying facility is located behind the meter used by Buckeye Power, Inc. to determine the Power Company's wholesale load; (d) the Power Company shall credit Consumer's monthly power bill with the dollar amount of the billing credits paid by Buckeye Power, Inc. to the Power Company; and (e) in the event that at the end of the annual period ending May 31 of each year the aggregate dollar amount of the billing credits for such year exceeds the aggregate dollar amount of the Power Company's charges to the Consumer for such year, the Power Company shall issue a check to the Consumer for such excess dollar amount. The Consumer shall be entitled to all environmental attributes of the Electric Generating Facility during the term of this Agreement. The Consumer shall have the sole and exclusive right to designate the Electric Generating Facility as a renewable resource during the term of this Agreement in order to satisfy any federal, state or local renewable energy requirement, renewable energy procurement requirement, renewable energy portfolio standard, or other renewable energy mandate.

8. Whenever the Power Company's facilities located at the Premises are relocated solely to suit the convenience of the Consumer, the Consumer shall reimburse the Power Company for the entire cost incurred in making such change.

9. (a) The Power Company will use reasonable diligence in furnishing a regular and uninterrupted supply of electric power and energy but does not guarantee uninterrupted service. The Power Company shall not be liable for damages or other losses in case such supply is interrupted, curtailed, reduced, fluctuates, becomes irregular, or fails, or the commencement of service to the Consumer is delayed by reason of an act of God, the public enemy, accidents, labor disputes, orders or acts of civil or military authority, governmental action, loss of power supply, breakdowns or injury to the machinery, transmission or distribution lines or other facilities of the Power Company, repairs, maintenance or any cause beyond the Power Company's control; provided, however, that in no event shall the Power Company be liable for personal injury, wrongful death, property damage or other losses not caused by or due to the gross negligence or willful and wanton misconduct of the Power Company; provided, further, however, that in no event shall the Power Company be liable for consequential damages of any nature whatsoever in case such supply of power and energy should be interrupted, curtailed, reduced, fluctuates, becomes irregular, or fails, or the commencement of service to the Consumer is delayed; and provided further that the failure of the Consumer to receive electric power and energy because of any of the aforesaid conditions shall not relieve the Consumer of its obligation to make payments to the Power Company as provided herein.

(b) The point at which service is delivered by the Power Company to the Consumer, and at which the output of Consumer's Electric Generating Facility is transferred to the Power Company, to be known as the "point of interconnection", shall be the point at which the Consumer's electric consuming facilities located on the Premises are connected to the Power Company's electric distribution system, and the point at which Consumer's Electric Generating Facility is connected to the Power Company's electric distribution system. The Power Company shall not be liable for any loss, injury or damage resulting from the Consumer's use of its facilities or equipment or occasioned by the power and energy furnished by the Power Company beyond the point of interconnection.

(c) The Consumer shall provide and maintain suitable protective devices on its equipment to prevent any loss, injury or damage that might result from any fluctuation or irregularity in the supply of electric power and energy. The Power Company shall not be liable for any loss, injury or damage resulting from any fluctuation or irregularity in the supply of power and energy which could have been prevented by the use of such protective devices.

(d) The Power Company will provide and maintain the necessary lines or service connections, metering and other apparatus which may be required for the proper measurement of and rendition of its service, and for the proper measurement of the output of Consumer's Electric Generating Facility. All such apparatus shall be owned and maintained by the Power Company. A single meter or pair of meters will be installed which shall be capable of registering the flow of electricity in each direction from the Power Company's electric distribution system to Consumer's electric consuming facilities located on the Premises, and from the Consumer's Electric Generating Facility to Power Company's electric distribution system, at the point of interconnection.

10. In the event of loss or injury to the property of the Power Company through misuse by, or the negligence of, the Consumer or the employees of the same, the cost of the necessary repairs or replacement thereof shall be paid to the Power Company by the Consumer. Consumer will be responsible for any person tampering with, interfering with, or breaking the seals or meters or other equipment of the Power Company installed at the Premises. The Consumer hereby agrees that no one except the employees of or persons duly authorized by the Power Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of the Power Company. The Consumer shall provide the Power Company reasonable access at all times to the Power Company's meters and other facilities of the Power Company located on the Premises.

11. Duly authorized representatives of the Power Company shall be permitted to enter the Premises at all reasonable times in order to carry out the provisions hereof.

12. All present or future federal, state, municipal or other lawful taxes payable by reason of the sale or purchase or Net Billing of the output of the Electric Generating Facility, the production of electrical output from the Electric Generating Facility, or the ownership of the Electric Generating Facility, under this Agreement shall be paid by Consumer. Without limiting the generality of the foregoing, the Consumer shall be solely responsible for: any Ohio kilowatt-hour taxes associated with the production of electricity from the Electric Generating Facility; any Ohio public utility property taxes associated with the Consumer's ownership of the Electric Generating Facility; and any state or federal income taxes associated with the Consumer's receipt of payments or Net Billing by the Power Company or Buckeye under this Agreement. Consumer acknowledges that neither the Power Company nor Buckeye has represented to the Consumer that the Consumer will not be subject to any such kilowatt-hour taxes, public utility property taxes, or state or federal income taxes as a result of the Net Billing arrangements described in this Agreement.

13. Power Company shall purchase and install net billing equipment to meter the Power Company's electric service to the Consumer and the electrical output of the Electric Generating Facility. Net billing will be accomplished using a single meter or pair of meters capable of registering the flow of electricity in each direction from the Power Company Distribution System to Consumer's electric

consuming facilities located on the Premises, and from Consumer's Electric Generating Facility to the Power Company Distribution System. If the existing electrical meter or meters in service at the Consumer's Premises is/are not capable of measuring the flow of electricity in each direction, the Power Company will purchase, install, own, operate, and maintain an approved meter or meters that is/are capable of measuring electricity in each direction. The Consumer will pay the Power Company all expenses involved in either modifying the existing meter(s) or providing a new meter(s) capable of measuring the flow of electricity in each direction. Power Company shall own, operate, and maintain the net billing equipment. All costs associated with the purchase, installation, ownership, operation, and maintenance of net billing equipment shall be borne by Consumer.

14. Consumer shall promptly provide to the Power Company all relevant information, documents, or data regarding the Consumer's facilities and equipment that have been reasonably requested by the Power Company.

15. This Agreement shall become effective as of the date first above written and shall remain in effect until terminated by either party giving to the other party not less than ninety (90) days prior notice in writing of its intention to terminate.

16. (a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns; provided, however, this Agreement shall not be assigned by the Consumer without the prior written consent of the Power Company, any such assignment by the Consumer being null and void without such consent.

(b) This Agreement shall not be effective unless approved in writing by all governmental agencies from which approval is required.

17. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, except for any conflicts of laws provisions.

18. The Consumer shall comply with the attached Metering, Insurance, Indemnity, and Interconnection Standards.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

WITNESS:

\_\_\_\_\_

By:

\_\_\_\_\_

Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

WITNESS:

\_\_\_\_\_

By:

\_\_\_\_\_

Name:

\_\_\_\_\_

Title: Member-Butler Rural Electric Cooperative

\_\_\_\_\_

## METERING, INSURANCE, INDEMNITY, AND INTERCONNECTION STANDARDS

1. Metering. Metering equipment used in determining the demand and amount of electric power and energy supplied hereunder, and the demand and amount of electric power and energy produced by Consumer's Electric Generating Facility, shall be tested and calibrated, if required, by the Power Company. If any metering equipment shall be found inaccurate, it shall be restored to the extent possible to a 100.0% accurate condition; or new metering equipment to the extent necessary shall be substituted so that, as far as possible, 100.0% accuracy shall always be maintained. The Consumer shall have the right to request that a special meter test be made at any time. In the event a test made at the Consumer's request discloses that the meter tested is registering correctly, or within two percent (2%) above or below 100.0% accuracy at full load, Consumer shall bear the expense of such meter test.

The results of all such tests and calibrations shall be open to examination by the Consumer and a report of every requested test shall be furnished to the Consumer. Any meter tested and found to be not more than two percent (2%) above or below 100.0% accuracy at full load, shall be considered to be accurate in so far as correction of billing is concerned. If as a result of any test, any meter is found to register in excess of two percent (2%) above or below 100.0% accuracy at full load, then the readings of such meter previously taken for billing purposes shall be corrected according to the percentage of inaccuracy so found, but no such correction shall extend beyond the last regular monthly billing period occurring prior to the day on which inaccuracy is discovered by such test, and no correction shall be made for a longer period than that during which it may be determined by mutual agreement of the parties involved that the inaccuracy existed. The Power Company will bear the cost of the meter test if any meter is found to register in excess of two percent (2%) above or below 100.0% accuracy at full load.

For any period that metering equipment is found to have failed wholly, or in part, to register and for which no alternate metering is available, it shall be assumed that the demand established, or electric energy delivered, as the case may be, during said period is the same as that for a period of like operation during which such meter was in service and operating.

The Power Company shall notify the Consumer in advance of the time of any meter test so that a representative of the Consumer may be present.

2. Insurance. –Consumer shall obtain and maintain the following policies of insurance during the term of the Agreement:

(1) Comprehensive or Commercial General Liability insurance with bodily injury and property damage combined single limits of at least \$250,000 per occurrence if the Electric Generating Facility is 10 kW or less, \$1,000,000 per occurrence if the Electric Generating Facility is greater than 10 kW but less than 100 kW, and \$5,000,000 per occurrence if the Electric Generating Facility is 100 kW or greater, covering the

Consumer's obligations and liabilities to the Power Company under this Agreement, including under Section 23.

(2) Consumer shall cause its insurers or agents to provide Power Company with certificates of insurance evidencing the policies listed above prior to interconnecting the Electric Generating Facility with the Power Company Distribution System, as well as copies of each annual renewal certificate for such policies, promptly after such renewal certificates are issued. Power Company shall have the right to review the policies listed above at any time during the term of this Agreement, and Consumer shall promptly provide copies of the same to Power Company upon its request. Failure of Power Company to obtain certificates of insurance does not relieve Consumer of the insurance requirements set forth herein. Failure to obtain the insurance coverage required by this Section 2 shall in no way relieve or limit Consumer's obligations and liabilities under other provisions of this Agreement.

(3) If Consumer is a residential customer of the Power Company, the following provisions shall apply:

(a) The insurance coverage requirements of Section 2.1 above may be satisfied by the residential Consumer obtaining and maintaining a Homeowner's Liability insurance policy, or if Homeowner's Liability insurance is not available, Comprehensive or Commercial General Liability insurance, Excess or Umbrella Liability insurance, or any other type of insurance policy that the Power Company deems acceptable, covering the residential Consumer's liabilities and obligations under this Agreement, with bodily injury and property damage combined single limits as set forth in Section 2.1; and

(b) The amounts of insurance required in Section 2.1 may be satisfied by the residential Consumer purchasing primary coverage in the amounts specified or by buying a separate excess Umbrella Liability policy together with lower limit primary underlying coverage. The structure of the coverage is the residential Consumer's option, so long as the total amount of insurance meets Power Company's requirements.

(4) If Consumer is a commercial customer of the Power Company, the Consumer shall cause its insurers to provide Power Company with at least 10 days prior written notice of any cancellation, non-renewal or material change in the insurance policy by endorsing the policy to add the Power Company as a party with an additional interest in the policy with respect to such notice.

3. Indemnity and Liability. Consumer agrees to fully indemnify, release, and hold Power Company, its members, trustees, officers, managers, employees, agents, representatives, and servants, Power Company's affiliated and associated companies, and their respective members, trustees, shareholders, directors, partners, stakeholders, officers, managers, employees, agents, representatives, and servants, and Power Company's successors and assigns, harmless from and against any and all claims, demands, liabilities, losses, damages, costs and expenses (including attorneys' fees and other costs of defense) of any nature or kind whatsoever, including, but not limited to, claims, demands and/or liabilities for

personal injury to (including death of) any person whomever (including payments and awards made to employees or others under any workers' compensation law or under any plan for employees' disability and death benefits) and for damage to any property whatsoever (including Consumer's Electric Generating Facility and the Power Company's distribution system) arising out of or otherwise resulting from the use, ownership, maintenance, or operation of the Electric Generating Facility or the interconnection facilities, regardless of whether such claims, demands or liability are alleged to have been caused by negligence or to have arisen out of Power Company's status as the owner or operator of facilities involved; provided, however, that the foregoing shall not apply to the extent that any such personal injury or property damage is held to have been caused by the gross negligence or intentional wrongdoing of Power Company or its agents or employees. Neither party shall be liable in statute, contract, in tort (including negligence), strict liability, or otherwise to the other party, its agents, representatives, affiliated and associated companies, or assigns, for any incidental or consequential loss or damage whatsoever, including, but not limited to, loss of profits or revenue, resulting from any party's performance or non-performance of an obligation imposed on it by this Agreement.

4. Operation, Maintenance and Control of the Electric Generating Facility. The Consumer shall own, operate, maintain and control the Electric Generating Facility and Consumer's Interconnection Facilities in a safe and reliable manner, in accordance with good utility practice, and in accordance with the provisions of this Agreement, and in accordance with applicable operational and reliability criteria, protocols, and directives, including those of the Power Company. Consumer may operate the Electric Generating Facility in parallel and in synchronization with the electric power and energy provided by Power Company to Consumer pursuant to this Agreement, as an auxiliary or supplement to such electric power and energy.

5. Protection and System Quality. Consumer shall, at its expense, provide, install, own, operate and maintain system protection facilities, including protective and regulating devices, as required by the Power Company and as otherwise required by good utility practice, and applicable operational and reliability criteria, protocols, and directives, in order to protect persons and property and to minimize deleterious effects to the Power Company's distribution system. Any such protective or regulating devices that may be required on Power Company's facilities in connection with the operation of the Electric Generating Facility shall be installed by Power Company at Consumer's expense. Power Company reserves the right to modify or expand its requirements for protective devices in conformance with good utility practice and/or applicable legal and regulatory requirements.

6. Inspection. Power Company shall have the right but shall have no obligation or responsibility to (a) observe Consumer's tests and inspections of any of Consumer's protective equipment, (b) review the settings of Consumer's protective equipment, and (c) review Consumer's maintenance records relative to

the Electric Generating Facility and Consumer's protective equipment. The foregoing rights may be exercised by Power Company from time to time as deemed necessary by the Power Company upon reasonable notice to Consumer. However, the exercise or non-exercise by Power Company of any of the foregoing rights of observation, review or inspection shall be construed neither as an endorsement or confirmation of any aspect, feature, element, or condition of the Electric Generating Facility or Consumer's protective equipment or the operation thereof, nor as a warranty as to the fitness, safety, desirability, or reliability of same.

7. Disconnection. Upon termination of this Agreement, Consumer shall disconnect the Electric Generating Facility from the Power Company's distribution system. Power Company shall have the right to disconnect, or to require the Consumer to disconnect, the Electric Generating Facility immediately and without prior notice if, in the Power Company's sole opinion, an Emergency exists and immediate disconnection is necessary to protect persons or property from injury or damage. Power Company shall have the right to disconnect, or to require the Consumer to disconnect, the Electric Generating Facility with no less than seven days prior notice if, in the Power Company's sole opinion, such disconnection is required in order for the Power Company to conduct maintenance, repairs or replacements of its facilities or the Power Company's distribution system. Consumer shall disconnect the Electric Generating Facility immediately if an emergency exists, as determined by the Power Company in its discretion or as specified herein, and immediate disconnection is necessary to protect persons or property from injury or damage.

8. Emergencies. The Consumer agrees to comply with Power Company's emergency procedures, as applicable, with respect to emergencies, the existence of which shall be determined by the Power Company in its discretion. The Consumer shall provide the Power Company with prompt oral notification an emergency which includes occurrences, circumstances, or situations which may reasonably be expected to detrimentally affect the Power Company's distribution system or is imminently likely to endanger life or property, to the extent the Consumer is aware of the emergency.

9. Modifications. Either party may undertake modifications to its facilities; provided, that Consumer shall not increase the output of the Electric Generating Facility or make other material change or modification to the configuration or operation of the Electric Generating Facility without the prior written consent of Power Company. In the event that the Consumer plans to undertake a modification that reasonably may be expected to impact the Power Company's facilities, the Consumer shall provide the Power Company with sufficient information regarding such modification so that the Power Company can evaluate the potential impact of such modification prior to commencement of the work.

10. Construction. Consumer shall, at its sole expense, design, construct, install, own, operate and maintain the Electric Generating Facility and all equipment on Consumer's side of the point of interconnection needed to interconnect the Electric Generating Facility with the Power Company's

distribution system. The Power Company shall, at Consumer's sole expense, design, construct, install, own, operate and maintain all equipment on the Power Company's side of the point of interconnection needed to interconnect the Electric Generating Facility with the Power Company's distribution system. The Consumer's interconnection facilities and equipment shall satisfy all requirements of applicable safety and engineering codes, including the Power Company's. Consumer shall submit all specifications for Consumer's interconnection facilities and equipment, including system protection facilities, to the Power Company for review at least ninety (90) days prior to interconnecting such interconnection facilities and equipment with the Power Company's distribution system. Power Company's review of Consumer's specifications shall be construed neither as confirming nor as endorsing the design, nor as any warranty as to fitness, safety, durability or reliability of Consumer's interconnection facilities or equipment. Power Company shall not, by reasons of such review or failure to review, be responsible for strength, details of design, adequacy or capacity of Consumer's interconnection facilities or equipment, nor shall Power Company's acceptance be deemed to be an endorsement of any facility or equipment. Consumer agrees to make changes to its interconnection facilities and equipment as may be reasonably required to meet the requirements of the Power Company. In the event it becomes necessary for Power Company to alter, add to, relocate or rearrange its interconnection facilities or to rearrange or relocate existing Power Company-owned facilities which are not interconnection facilities to continue to conduct interconnected operations in accordance with good utility practice, then Consumer shall pay for such work.

## **SECTION G**

### **GENERAL APPLICATION FOR DISTRIBUTED RESOURCES**

***(RESIDENTIAL SOLAR INSTALLATIONS  $\leq$  25 KW-DC  
MEETING THE APPLICABILITY FOR NET BILLING MAY USE  
THE SIMPLIFIED APPLICATION IN SECTION E)***



**GENERATOR**

Number of Units: \_\_\_\_\_

Manufacturer: \_\_\_\_\_

Type (Synchronous, Induction, or Inverter): \_\_\_\_\_

Fuel Source Type (Solar, Natural Gas, Wind, etc.): \_\_\_\_\_

Kilowatt Rating (95 F at location) \_\_\_\_\_

Kilovolt-Ampere Rating (95 F at location): \_\_\_\_\_

Power Factor: \_\_\_\_\_

Voltage Rating: \_\_\_\_\_

Ampere Rating: \_\_\_\_\_

Number of Phases: \_\_\_\_\_

Frequency: \_\_\_\_\_

Do you plan to interconnect the generator and operate in parallel with the Cooperative's electric distribution facilities?: \_\_\_\_\_ Yes \_\_\_\_\_ No

Is there a backup battery storage system? \_\_\_\_\_ Yes \_\_\_\_\_ No

If Yes, Number of Batteries \_\_\_\_\_ Battery Capacity (kWh) \_\_\_\_\_

Peak Output Power AC (kW or kVA) \_\_\_\_\_

Can the battery export power to the grid in any storage mode? \_\_\_\_\_ Yes \_\_\_\_\_ No

If Yes, do you plan to export power?: \_\_\_\_\_ Yes \_\_\_\_\_ No

If Yes, maximum amount expected: \_\_\_\_\_

If Yes, do you expect the amount of exported energy to exceed your requirements for electric energy at the service address on an annual basis?: \_\_\_\_\_ Yes \_\_\_\_\_ No

Estimated annual requirements for electric energy at the service address: \_\_\_\_\_ Kilowatt-hours

Do you plan to use the output of the facility to serve your electric load? \_\_\_\_\_ Yes \_\_\_\_\_ No

Do you plan to retain, or sell to the Cooperative or its parent, the generator's environmental attributes (i.e. renewable energy credits)? \_\_\_\_\_ Retain \_\_\_\_\_ Sell

Expected Energizing and Start-up Date \_\_\_\_\_

Normal Operation: (examples: provide power to meet base load, demand management, standby, back-up, other) (please describe)\_\_\_\_\_

One-line diagram attached: \_\_\_\_\_ Yes

Have testing results been supplied to the Cooperative documenting conformance with the Cooperative's technical requirements: \_\_\_\_\_ Yes [Note: Requires a Yes for complete Application.]

Have all necessary government permits and approvals been obtained for the project prior to this application: \_\_\_\_\_ Yes [Note: Requires a Yes for an Application to be considered complete.]

Has the generator been certified as a qualifying cogeneration or small power production facility under the Public Utility Regulatory Policies Act of 1978: \_\_\_\_\_ Yes [Note: Generator must be certified as a qualifying cogeneration or small power production facility to export power.]

Have the generator manufacturer machine characteristics been supplied to the Company: \_\_\_\_\_ Yes [Note: Requires a Yes for complete Application.]

Layout sketch showing lockable, "visible" disconnect device: \_\_\_\_\_ Yes

This application requires the following to be considered complete:

- o One-line diagram
- o Site drawing that shows location of inverter, modules, battery, meter, and accessible disconnect switch
- o Spec sheet for inverter(s)
- o Spec sheet for PV module(s)
- o Spec sheet for Battery
- o Payment of Application Fee (\$ 360.00)

Checks are payable to:

Butler Rural Electric Cooperative, Inc. at 3888 Stillwell-Beckett Road, Oxford, OH 45056

DATE: [CUSTOMER NAME]

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **SECTION H**

### **SYSTEM STUDY AGREEMENT**

**System Study Agreement**  
**Distributed Resource Facility near \_\_\_\_\_, Ohio**

\_\_\_\_\_ (**Customer**) agrees to reimburse Butler Rural Electric Cooperative, Inc. (**the Cooperative**) for its actual full costs, including applicable overheads, in conducting the study summarized herein. The study cost is anticipated to be approximately \$ \_\_\_\_\_. Customer understands that the cost identified here is an estimate, and the actual study cost may be higher or lower. The charge shall not exceed the actual cost of the study.

Cooperative requests that an executed System Study Agreement be received by Cooperative within 7 days of Customer's receipt of this System Study Agreement. A refundable deposit of \$ \_\_\_\_\_ will be required to start the study.

Per the Study Scope below, this study will determine the impact on the Cooperative distribution system in interconnecting this new Distributed Resource Facility, and the details/cost of the facilities necessary for interconnecting this Distributed Resource Facility with the Cooperative distribution system as well as any system additions/upgrades that are needed. Cooperative will submit a written report following the conclusion of this study. Cooperative estimates that this study will require \_\_\_\_\_ to \_\_\_\_\_ weeks to complete after its

\_\_\_\_\_ commencement date. Any change of scope after the study has been started may lengthen the study completion time and change the estimated cost of the study.

**Study Scope:** Customer desires to interconnect a \_\_\_\_\_ MW Distributed Resource Facility with the Cooperative's distribution system. The Distributed Resource Facility is a \_\_\_\_\_ located near \_\_\_\_\_, Ohio. The Customer desires to interconnect the Distributed Resource Facility on \_\_\_\_\_.

Cooperative will study the impact of the new Distributed Resource Facility on the Cooperative distribution system, the facilities and system upgrades required to interconnect, and the costs associated with the interconnection and distribution system upgrades, if any.

**Data/Connection Requirements:** Cooperative has received data from Customer to initiate the study and will request additional information as required.

Cooperative may engage consultants and third party contractors to conduct all or any part of the system study. Cooperative will pass through to the Customer the cost of any such consultants and third party contractors. Additional system studies may be required by the applicable transmission owner and transmission provider/operator. The Customer will be responsible for the cost of any required system studies conducted by such transmission owner and transmission provider/operator and will pay these costs directly to the entities involved.

**Date Authorized by Customer**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Tax ID: \_\_\_\_\_

Fax Number: \_\_\_\_\_

**Date Received by Cooperative**

\_\_\_\_\_

**Deposit**

\$ \_\_\_\_\_

## **SECTION I**

# **AGREEMENT FOR ELECTRIC SERVICE with TERMS AND CONDITIONS FOR SYNCHRONIZATION of GENERATION**

AGREEMENT FOR ELECTRIC SERVICE

This Agreement, made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_, between Butler Rural Electric Cooperative, Inc. (hereinafter called “the Power Company”) and \_\_\_\_\_ (hereinafter called the “Consumer”), for electric service at \_\_\_\_\_, Ohio, \_\_\_\_\_, Power Company Location No. \_\_\_\_\_ (hereinafter called the “Premises”);

**WITNESSETH:**

WHEREAS, the Power Company is a not-for-profit corporation organized under the laws of the State of Ohio engaged in the business of selling electric power and energy at retail with its principal place of business located at 3888 Stillwell-Beckett Road, Oxford, OH 45056; and

WHEREAS, the Consumer is [a \_\_\_\_\_ organized under the laws of the State of \_\_\_\_\_ doing business in the State of Ohio, which] or [an individual who] owns and operates all land and facilities located on the Premises; and

WHEREAS, the Consumer has or will install on the Premises certain consumer-owned electric generating facilities of approximately \_\_\_\_ MW in the aggregate, which electric generating facilities (the “Electric Generating Facility”) are more particularly described in Exhibit E to the Appendix hereto; and

WHEREAS, the Consumer desires to interconnect the Electric Generating Facility to the Power Company’s electric distribution system and to use the output of the Electric Generating Facility for the purposes set forth in the Appendix hereto; and

WHEREAS, the Power Company desires to sell, and the Consumer desires to purchase, electric power and energy to meet the requirements of Consumer’s electric consuming facilities located on the Premises, including the Electric Generating Facility, under the terms and conditions hereinafter set forth; and

WHEREAS, the Consumer understands, in accordance with Butler Rural Electric Cooperative policies, use of distributed generation resources will prevent or end participation in the cooperative’s Geothermal, Dual Fuel and Air-to-Air Heat Pump programs; and

WHEREAS, a single meter has been or will be installed for the Power Company’s Location No. \_\_\_\_\_ at the Premises, which meter is capable of registering the flow of electricity

from Power Company's electric distribution system to Consumer's electric consuming facilities on the Premises at the point of interconnection; and

WHEREAS, the Consumer receives retail electric service from the Power Company at Location No. \_\_\_\_\_ for service to electric load located on the Premises.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. Subject to the terms and conditions of this Agreement, the Power Company shall sell and deliver to the Consumer, and the Consumer shall purchase and receive, all of the electric power and energy which the Consumer may need at the Premises up to \_\_\_\_\_ kW, except for any such electric demand and energy which is served by Consumer's Electric Generating Facility in accordance with the terms and conditions of the Appendix hereto.

2. Service hereunder shall be alternating current, \_\_\_\_\_ phase, 60 cycles, \_\_\_\_\_ volts for Location No. \_\_\_\_\_.

3. The Consumer shall pay the Power Company for service hereunder at the rate and upon the terms and conditions set forth in the Power Company's Rate Schedule \_\_\_\_\_, which is attached hereto and made a part of this Agreement as if fully restated herein. The Power Company's Rate Schedule \_\_\_\_\_ will be superseded by any new or amended Rate Schedule \_\_\_\_\_ or any successor rate schedule as approved from time to time by the Board of Trustees of the Power Company. Payment for the service provided hereunder shall be made at the office of the Power Company, or at such other place as the Power Company shall hereafter designate in writing.

4. If the Consumer shall fail to make any such payment within fifteen (15) days after such payment is due, the Power Company may discontinue service to the Consumer upon giving no less than fifteen (15) days written notice to the Consumer of its intention to do so, provided however, that such discontinuance of service shall not relieve the Consumer of any of its obligations under this Agreement.

5. The Consumer is or shall become a member of the Power Company and be bound by such rules and regulations as may from time to time be adopted by the Power Company.

6. The Consumer shall not use the electric power and energy furnished hereunder as an auxiliary or supplement to any other source of electric power and energy and shall not sell or transfer to others the electric power and energy purchased hereunder, without permission of the

Power Company; provided, however, that Consumer may operate the Electric Generating Facility upon the terms and conditions and for the purposes set forth in this Agreement and the Appendix hereto.

7. The Consumer shall use the output of the Electric Generating Facility for the purposes set forth in the Appendix hereto.

8. Whenever the Power Company's facilities located at the Premises are relocated solely to suit the convenience of the Consumer, the Consumer shall reimburse the Power Company for the entire cost incurred in making such change.

9. (a) The Power Company will use reasonable diligence in furnishing a regular and uninterrupted supply of electric power and energy but does not guarantee uninterrupted service. The Power Company shall not be liable for damages or other losses in case such supply is interrupted, curtailed, reduced, fluctuates, becomes irregular, or fails, or the commencement of service to the Consumer is delayed by reason of an act of God, the public enemy, accidents, labor disputes, orders or acts of civil or military authority, governmental action, loss of power supply, breakdowns or injury to the machinery, transmission or distribution lines or other facilities of the Power Company, repairs, maintenance or any cause beyond the Power Company's control; provided, however, that in no event shall the Power Company be liable for personal injury, wrongful death, property damage or other losses not caused by or due to the gross negligence or willful and wanton misconduct of the Power Company; provided, further, however, that in no event shall the Power Company be liable for consequential damages of any nature whatsoever in case such supply of power and energy should be interrupted, curtailed, reduced, fluctuates, becomes irregular, or fails, or the commencement of service to the Consumer is delayed; and provided further that the failure of the Consumer to receive electric power and energy because of any of the aforesaid conditions shall not relieve the Consumer of its obligation to make payments to the Power Company as provided herein.

(b) The point at which service is delivered by the Power Company to the Consumer at Power Company Location No. \_\_\_\_\_ on the Premises, to be known as the "point of interconnection", shall be the point at which the Consumer's electric consuming facilities located on the Premises are connected to the Power Company's electric distribution system. The Power Company shall not be liable for any loss, injury or damage resulting from the Consumer's use of

its facilities or equipment or occasioned by the power and energy furnished by the Power Company beyond the point of interconnection.

(c) The Consumer shall provide and maintain suitable protective devices on its equipment to prevent any loss, injury or damage that might result from any fluctuation or irregularity in the supply of electric power and energy. The Power Company shall not be liable for any loss, injury or damage resulting from any fluctuation or irregularity in the supply of power and energy which could have been prevented by the use of such protective devices.

(d) The Power Company will provide and maintain the necessary lines or service connections, metering and other apparatus which may be required for the proper measurement of and rendition of its service. All such apparatus shall be owned and maintained by the Power Company. A single meter will be installed at the Power Company Location No. \_\_\_\_\_ at the Premises, which meter shall be capable of registering the flow of electricity from the Power Company's electric distribution system to Consumer's electric consuming facilities located on the Premises at the point of interconnection.

10. In the event of loss or injury to the property of the Power Company through misuse by, or the negligence of, the Consumer or the employees of the same, the cost of the necessary repairs or replacement thereof shall be paid to the Power Company by the Consumer.

Consumer will be responsible for any person tampering with, interfering with, or breaking the seals or meters or other equipment of the Power Company installed at the Premises. The Consumer hereby agrees that no one except the employees of or persons duly authorized by the Power Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of the Power Company. The Consumer shall provide the Power Company reasonable access at all times to the Power Company's meters and other facilities of the Power Company located on the Premises.

11. Metering equipment used in determining the demand and amount of electric power and energy supplied hereunder shall be tested and calibrated, if required, by the Power Company. If any metering equipment shall be found inaccurate, it shall be restored to the extent possible to a 100.0% accurate condition; or new metering equipment to the extent necessary shall be substituted so that, as far as possible, 100.0% accuracy shall always be maintained. The Consumer shall have the right to request that a special meter test be made at any time. In the event a test made at the Consumer's request discloses that the meter tested is registering

correctly, or within two percent (2%) above or below 100.0% accuracy at full load, Consumer shall bear the expense of such meter test.

The results of all such tests and calibrations shall be open to examination by the Consumer and a report of every requested test shall be furnished to the Consumer. Any meter tested and found to be not more than two percent (2%) above or below 100.0% accuracy at full load, shall be considered to be accurate in so far as correction of billing is concerned. If as a result of any test, any meter is found to register in excess of two percent (2%) above or below 100.0% accuracy at full load, then the readings of such meter previously taken for billing purposes shall be corrected according to the percentage of inaccuracy so found, but no such correction shall extend beyond the last regular monthly billing period occurring prior to the day on which inaccuracy is discovered by such test, and no correction shall be made for a longer period than that during which it may be determined by mutual agreement of the parties involved that the inaccuracy existed. The Power Company will bear the cost of the meter test if any meter is found to register in excess of two percent (2%) above or below 100.0% accuracy at full load.

For any period that metering equipment is found to have failed wholly, or in part, to register and for which no alternate metering is available, it shall be assumed that the demand established, or electric energy delivered, as the case may be, during said period is the same as that for a period of like operation during which such meter was in service and operating.

12. Duly authorized representatives of the Power Company shall be permitted to enter the Premises at all reasonable times in order to carry out the provisions hereof.

13. This Agreement shall begin on the date first written above and shall continue until the ten year anniversary of the commencement of the term of this Agreement unless extended, terminated or cancelled. This Agreement shall automatically renew for successive periods of one (1) year each, unless either party provides notice of termination at least 90 days prior to the end of the then current term, in which case the Agreement shall terminate at the end of the then current term. Power Company may terminate this Agreement at any time upon material breach by Consumer of its obligations under this Agreement.

14. (a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns; provided, however, this

Agreement shall not be assigned by the Consumer without the prior written consent of the Power Company, any such assignment by the Consumer being null and void without such consent.

(b) This Agreement shall not be effective unless approved in writing by all governmental agencies from which approval is required.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, except for any conflicts of laws provisions.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

WITNESS:

\_\_\_\_\_

WITNESS:

\_\_\_\_\_

\_\_\_\_\_

By:

\_\_\_\_\_

Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

\_\_\_\_\_

By:

\_\_\_\_\_

Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

## APPENDIX

### TERMS AND CONDITIONS FOR SYNCHRONIZATION OF GENERATION

#### ARTICLE 1 – DEFINITIONS

Whenever used in this Appendix, the following terms shall have the following meanings:

“Agreement” shall mean the Agreement for Electric Service dated as of \_\_\_\_\_, between Power Company and the Consumer to which this Appendix is attached and made a part thereof, plus all applicable schedules and addendum thereto.

“Buckeye” shall mean Buckeye Power, Inc. and its successors and assigns.

“Emergency” shall mean a condition or situation (i) that in the judgment of Power Company or Consumer is imminently likely to endanger life or property, (ii) that in the sole judgment of Power Company is imminently likely to adversely affect or impair the Power Company Distribution System or the electrical or transmission systems of others to which the Power Company Distribution System is directly or indirectly connected, including, without limitation, the transmission system of Transmission Owner, or (iii) that in the sole judgment of the Consumer is imminently likely to adversely affect or impair the Facility.

“Facility” shall mean the Consumer’s electric generating units identified in Exhibit E hereof, the output of which is approximately \_\_\_\_\_MW in the aggregate.

“Good Utility Practice” shall mean any of the practices, methods and acts engaged in or approved by a significant proportion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of acceptable practices, methods or acts.

“Interconnection Facilities” shall mean all facilities presently in place or presently proposed to be installed, as identified in Exhibit A hereof, or facilities which are later installed, in order to interconnect the Facility to the Power Company Distribution System, including System Protection Facilities.

“Interconnection Service” shall mean the services provided by the Power Company to permit the interconnection and synchronized operation of the Facility with the Power Company Distribution System pursuant to the terms of this Appendix. The term does not include and the Consumer shall not have any right to deliver into the Power Company Distribution System any of the electric power or energy, ancillary services (including, without limitation, reactive power), or other output of the Facility.

“Metering Equipment” shall mean all metering equipment currently installed at the Facility and other metering equipment to be installed at the Facility as described in Exhibit B hereof.

“NERC” shall mean the North American Electric Reliability Council, and any successor thereto.

“PJM” shall mean PJM Interconnection, LLC, and any successor thereto.

“PJM 5-CP System Annual Demand” shall mean any of the five highest hourly kW coincident demands of all of the members of PJM as measured and determined by PJM for purposes of determining Buckeye’s annual PJM capacity charges, or such other hourly kW demands used by PJM to determine Buckeye’s responsibility for annual PJM capacity charges, for the applicable PJM planning year (June 1 – May 31), as determined by Buckeye from time to time.

“Point of Interconnection” shall mean the point or points, shown in Exhibit A hereof, where the Consumer’s Interconnection Facilities interconnect with the Power Company Distribution System.

“Power Company Distribution System” shall mean all electric distribution facilities owned or controlled by Power Company on Power Company’s side of the Point of Interconnection, including, without limitation, Power Company’s Interconnection Facilities.

“ReliabilityFirst” shall mean ReliabilityFirst Corporation, one of the regional reliability councils of NERC formed to promote reliability and adequacy of bulk power supply of the electric utility systems in North America, and any successor thereto.

“System Protection Facilities” shall mean the equipment required in order (1) to protect (a) the Power Company Distribution System, the systems of others directly or indirectly connected to the Power Company Distribution System, including, without limitation, the transmission system of Transmission Owner, and Power Company’s customers from faults or other electrical disturbances occurring at the Facility or otherwise on Consumer’s side of the Point of Interconnection, and (b) the Facility from faults or other electrical disturbances occurring on the Power Company Distribution System or on the systems of others to which the Power Company Distribution System is directly or indirectly connected, including, without limitation, the transmission system of Transmission Owner, and (2) to prevent any flow of power or energy, ancillary services (including, without limitation, reactive power), or other output of the Facility onto the Power Company Distribution System.

“Transmission Owner” shall mean Duke Energy, Inc. or American Electric Power, owning transmission facilities to which the Power Company Distribution System is interconnected, and its successors and assigns.

“Transmission Provider” shall mean Duke Energy, Inc. or American Electric Power, providing transmission service through facilities owned by Transmission Owner, and its successors and assigns.

## ARTICLE 2 – INTERCONNECTION SERVICE

Subject to the terms and conditions of the Agreement and this Appendix, Power Company shall provide Consumer with Interconnection Service for the Facility for the term of the Agreement.

## ARTICLE 3 – OPERATION AND MAINTENANCE

3.1 Operation, Maintenance and Control of the Facility. The Consumer shall own, operate, maintain and control the Facility and Consumer’s Interconnection Facilities and System Protection Facilities (a) in a safe and reliable manner, (b) in accordance with Good Utility Practice, (c) in accordance with applicable operational and reliability criteria, protocols, and directives, including those of NERC, ReliabilityFirst, the Power Company, Transmission Owner and Transmission Provider (including, without limitation, those requirements of Power Company set forth in Exhibit C hereof and those requirements, if any, of Transmission Owner or Transmission Provider set forth in Exhibit D hereof), and (d) in accordance with the provisions of this Appendix. Consumer may operate the Facility in parallel and in synchronization with the electric power and energy provided by Power Company to Consumer pursuant to the Agreement, as an auxiliary or supplement to such electric power and energy; provided, however, that such operations by Consumer shall be limited solely to one of the following: (a) providing back-up

service to Consumer while an interruption or interference of electric service from Power Company to Consumer is occurring, (b) providing back-up service to Consumer when an interruption or interference of electric service from Power Company to Consumer is reasonably anticipated by the Consumer to occur but only until such interruption or interference ceases to occur or until such interruption or interference is no longer reasonably anticipated to occur, (c) reducing the electric demand of the electric consuming facilities owned and operated by Consumer within the contiguous land area owned by Consumer in \_\_\_\_\_ County, Ohio, and served by Power Company, when a PJM 5-CP System Annual Demand is reasonably anticipated to occur but only until such PJM 5-CP System Annual Demand is no longer reasonably anticipated to occur or has ceased to occur, (d) reducing the electric demand of the electric consuming facilities owned and operated by Consumer within the contiguous land area owned by Consumer in \_\_\_\_\_ County, Ohio, and served by Power Company, when, but only for so long as, Buckeye issues a peak warning signal for the purposes described in (c) above or for such other purposes as Buckeye may deem appropriate in its sole discretion; (e) testing of the Facility; and (f) when requested by both the Power Company and Buckeye, if agreed to by the Consumer.. Buckeye and Power Company shall have no responsibility whatsoever to notify Consumer when an interruption of electric service or a PJM 5-CP System Annual Demand is reasonably anticipated to occur or is no longer reasonably anticipated to occur or when an interruption of electric service or a PJM 5-CP System Annual Demand has ceased to occur. Notwithstanding anything herein to the contrary, in no event shall Consumer deliver into the Power Company Distribution System any of the electric power or energy, ancillary services (including, without limitation, reactive power), or other output of the Facility. Consumer shall provide, install, own, operate and maintain, at its own cost and expense, all facilities and equipment as are required to prevent delivery into the Power Company Distribution System of any of the electric power or energy, ancillary services (including, without limitation, reactive power), or other output of the Facility.

3.2 Protection and System Quality. Consumer shall, at its expense, provide, install, own, operate and maintain System Protection Facilities, including such protective and regulating devices as are required by NERC, ReliabilityFirst, the Power Company, Transmission Owner or Transmission Provider, or by order, rule or regulation of any duly-constituted regulatory authority having jurisdiction, or as are otherwise required by Good Utility Practice in order to protect persons and property and to minimize deleterious effects to the Power Company Distribution System and the transmission system of Transmission Owner and to prevent delivery into the Power Company Distribution System of any of the electric power or energy, ancillary services (including, without limitation, reactive power), or other output of the Facility. Any such protective or regulating devices that may be required on Power Company's or Transmission Owner's facilities in connection with the operation of the Facility shall be installed by Power Company or Transmission Owner, as the case may be, at Consumer's expense. The Power Company reserves the right to modify or expand its requirements for protective devices in conformance with Good Utility Practice.

3.3 Inspection. Power Company shall have the right but shall have no obligation or responsibility to (a) observe Consumer's tests and inspections of any of Consumer's protective equipment, (b) review the settings of Consumer's protective equipment, and (c) review Consumer's maintenance records relative to the Facility and Consumer's protective equipment.

The foregoing rights may be exercised by Power Company from time to time as deemed necessary by the Power Company upon reasonable notice to Consumer. However, the exercise or non-exercise by Power Company of any of the foregoing rights of observation, review or inspection shall be construed neither as an endorsement or confirmation of any aspect, feature, element, or condition of the Facility or Consumer's protective equipment or the operation thereof, nor as a warranty as to the fitness, safety, desirability, or reliability of same.

3.4 Disconnection. Upon termination of the Agreement by its terms, Consumer shall disconnect the Facility from the Power Company Distribution System in accordance with a plan for disconnection approved by the Power Company. Power Company shall have the right to disconnect, or to require the Consumer to disconnect, the Facility immediately and without prior notice if, in the Power Company's sole opinion, an Emergency exists and immediate disconnection is necessary to protect persons or property from injury or damage. Power Company shall have the right to disconnect, or to require the Consumer to disconnect, the Facility with no less than seven days prior notice if, in the Power Company's sole opinion, such disconnection is required in order for the Power Company to conduct maintenance, repairs or replacements of its facilities or the Power Company Distribution System. Consumer shall disconnect the Facility immediately if an Emergency exists and immediate disconnection is necessary to protect persons or property from injury or damage.

#### ARTICLE 4 – EMERGENCIES

The Consumer agrees to comply with NERC, ReliabilityFirst, Power Company, Transmission Owner and Transmission Provider Emergency procedures, as applicable, with respect to Emergencies (including, without limitation, those of requirements of the Power Company set forth in Exhibit C hereof and those requirements, if any, of Transmission Owner or Transmission Provider set forth in Exhibit D hereof). The Consumer shall provide the Power Company with oral notification that is prompt under the circumstances of an Emergency which may reasonably be expected to affect the Power Company Distribution System or the transmission system of Transmission Owner, to the extent the Consumer is aware of the Emergency. To the extent the Consumer is aware of the facts of the Emergency, such notification shall describe the Emergency, the extent of the damage or deficiency, its anticipated duration, and the corrective action taken or to be taken, and shall be followed as soon as practicable with written notice. In the event of an Emergency, the party becoming aware of the Emergency may, in accordance with Good Utility Practice and using its reasonable judgment, take such action as is reasonable and necessary to prevent, avoid, or mitigate injury, danger, damage or loss.

#### ARTICLE 5 – MODIFICATIONS AND CONSTRUCTION

5.1 Modifications. Either party may undertake modifications to its facilities; provided, that Consumer shall not increase the output of the Facility or make other material change or modification to the configuration or operation of the Facility without the prior written consent of Power Company and Buckeye. In the event that the Consumer plans to undertake a modification that reasonably may be expected to impact the Power Company's facilities, the Consumer shall provide the Power Company and Buckeye with sufficient information regarding such

modification so that the Power Company and Buckeye can evaluate the potential impact of such modification prior to commencement of the work.

## 5.2 Construction.

5.2.1 Land Rights. Consumer shall furnish at no cost to Power Company any necessary access, easements, licenses, and/or rights of way upon, over, under, and across lands owned or controlled by Consumer and/or its affiliated interests for the construction, operation and maintenance by Power Company of necessary lines, substations, and other equipment to accomplish interconnection of the Facility with the Power Company Distribution System under this Appendix and the provision of electric service to the Consumer under the Agreement, and shall, at all reasonable times, give the Power Company, and its agents, free access to such lines, substations, and equipment. An accessible, protected and satisfactory site selected upon mutual agreement by the Parties and located on the Consumer's premises shall be provided by and at the Consumer's expense for installation of metering devices under this Appendix, unless Power Company elects to install meters on locations controlled by it.

5.2.2 Facility and Equipment Design and Construction. Consumer shall, at its sole expense, design, construct, and install the Facility and all equipment needed to interconnect the Facility with the Power Company Distribution System, except for any Interconnection Facilities to be constructed by Power Company pursuant to Exhibit A hereof. The Consumer's Interconnection Facilities and equipment shall satisfy all requirements of applicable safety and engineering codes, including the Power Company's, and further, shall satisfy all requirements of any duly-constituted regulatory authority having jurisdiction and the requirements of Transmission Owner and Transmission Provider (including, without limitation, those requirements, if any, of Transmission Owner or Transmission Provider set forth in Exhibit D hereof). Consumer shall submit all specifications for Consumer's Interconnection Facilities and equipment, including System Protection Facilities, to the Power Company for review at least ninety (90) days prior to interconnecting such Interconnection Facilities and System Protection Facilities with the Power Company Distribution System. Power Company's review of Consumer's specifications shall be construed neither as confirming nor as endorsing the design, nor as any warranty as to fitness, safety, durability or reliability of Consumer's Interconnection Facilities or equipment. Power Company shall not, by reason of such review or failure to review, be responsible for strength, details of design, adequacy or capacity of Consumer's Interconnection Facilities or System Protection Facilities, nor shall Power Company's acceptance be deemed to be an endorsement of any facility or equipment. Consumer agrees to make such changes to its Interconnection Facilities and System Protection Facilities as may be reasonably required by the Power Company or as may be necessary to meet the requirements of applicable safety and engineering codes, including the Power Company's, and further, satisfy all requirements of any duly-constituted regulatory authority having jurisdiction and the requirements of the Transmission Owner and the Transmission Provider. In the event it becomes necessary for Power Company to alter, add to, relocate or rearrange the Interconnection Facilities or to rearrange or relocate existing Power Company owned facilities which are not Interconnection Facilities to continue to conduct interconnected operations in accordance with Good Utility Practice, then Consumer shall pay for such work.

## ARTICLE 6 – METERING

Power Company shall purchase and install Metering Equipment if necessary to meter the electrical output of the Facility. Power Company shall own, operate and maintain the Metering Equipment. All costs associated with the purchase, installation, ownership, operation and maintenance of Metering Equipment, as more fully described in Exhibit B hereof, or any changes to Metering Equipment requested by Consumer, shall be borne by Consumer.

## ARTICLE 7 – INFORMATION REPORTING

Consumer shall promptly provide to the Power Company all relevant information, documents, or data regarding the Consumer's facilities and equipment that have been reasonably requested by the Power Company.

## ARTICLE 8 – INDEMNITY AND LIABILITY

Consumer agrees to fully indemnify, release, and hold Power Company, and its members, trustees, officers, managers, employees, agents, representatives, and servants, and Power Company's affiliated and associated companies, and their respective members, trustees, shareholders, directors, partners, stakeholders, officers, managers, employees, agents, representatives, and servants, and Power Company's successors and assigns, harmless from and against any and all claims, demands, liabilities, losses, damages, suits, actions, proceedings (whether legal or administrative), costs and expenses (including attorneys' fees and other costs of defense) of any nature or kind whatsoever, including, but not limited to, claims, demands and/or liabilities for personal injury to (including death of) any person whomever (including payments and awards made to employees or others under any workers' compensation law or under any plan for employees' disability and death benefits) and for damage to any property whatsoever (including Consumer's Facility, the Power Company Distribution System, and the transmission system of Transmission Owner) arising out of or otherwise resulting from the use, ownership, maintenance, or operation of the Facility or the Interconnection Facilities, regardless of whether such claims, demands or liability are alleged to have been caused by negligence or to have arisen out of Power Company's status as the owner or operator of facilities involved; provided, however, that the foregoing shall not apply to the extent that any such personal injury or property damage is held to have been caused by the gross negligence or intentional wrongdoing of Power Company or its agents or employees. Neither party shall be liable in statute, contract, in tort (including negligence), strict liability, or otherwise to the other party, its agents, representatives, affiliated and associated companies, or assigns, for any incidental or consequential loss or damage whatsoever, including, but not limited to, loss of profits or revenue of such party or any third party, whether in an action in contract, tort or strict liability or other legal theory, resulting from any party's performance or non-performance of an obligation imposed on it by this Appendix. Consumer's obligation to indemnify the Power Company will survive the expiration or termination of this Appendix or the Agreement by any party for any reason.

## ARTICLE 9 – INSURANCE

9.1 Consumer shall obtain and maintain the following policies of insurance during the term of the Agreement:

(a) Workers' Compensation Insurance which complies with the laws of the State of Ohio and Employers' Liability insurance with limits of at least \$1,000,000; and

(b) Comprehensive or Commercial General Liability insurance with bodily injury and property damage combined single limits of at least \$250,000 per occurrence if the Facility is 10 kW or less, \$1,000,000 per occurrence if the Facility is greater than 10 kW but less than 100 kW, and \$5,000,000 per occurrence if the Facility is 100 kW or greater. Such insurance shall include, but not necessarily be limited to specific coverage for contractual liability encompassing the indemnification provisions in Article 8, broad form property damage liability, personal injury liability, explosion and collapse hazard coverage, products/completed operations liability, and, where applicable, watercraft protection and indemnity liability; and

(c) If the Facility is greater than 2 MW, Excess Umbrella liability insurance with a single limit of at least \$5,000,000 per occurrence in excess of the limits of insurance provided in subparagraphs (a) and (b) above.

9.2 The coverages requested in Section 9.1(b) above and any Umbrella or Excess coverage should be "occurrence" form policies. In the event Consumer has "claims-made" form coverage, Consumer must obtain prior approval of all "claims-made" policies from Power Company.

9.3 Consumer shall cause its insurers to amend its Comprehensive or Commercial General Liability and, if applicable, Umbrella or Excess Liability policies with the following endorsement items (a) through (e); and to amend Consumer's Workers' Compensation, and Auto Liability policies with endorsement item (e):

(a) Power Company, and its directors, officers, and employees are additional Insureds under this Policy; and

(b) This insurance is primary with respect to the interest of Power Company, and its directors, officers, and employees and any other insurance maintained by them is excess and not contributory with this insurance; and

(c) The following cross liability clause is made a part of the policy: "In the event of claims being made by reasons of (i) personal and/or bodily injuries suffered by any employee or employees of one insured hereunder for which another insured hereunder is or may be liable, or (ii) damage to property belonging to any insured hereunder for which another insured is or may be liable, then this policy shall cover such insured against whom a claim is

made or may be made in the same manner as if separate policies have been issued to each insured hereunder, except with respect to the limits of insurance; and

(d) Insurer hereby waives all rights of subrogation against Power Company, and its officers, directors and employees; and

(e) Notwithstanding any provision of the policy, this policy may not be canceled, non-renewed or materially changed by the insurer without giving thirty (30) days prior written notice to Power Company. All other terms and conditions of the policy remain unchanged.

9.4 Consumer shall cause its insurers or agents to provide Power Company with certificates of insurance evidencing the policies and endorsements listed above prior to the effective date of this Appendix, as well as copies of each annual renewal certificate for such policies and endorsements, promptly after such renewal certificates are issued. Power Company shall have the right to review the policies and endorsements listed above at any time during the term of this Agreement, and Consumer shall promptly provide copies of the same to Power Company upon its request. Failure of Power Company to obtain certificates of insurance does not relieve Consumer of the insurance requirements set forth herein. Failure to obtain the insurance coverage required by this Article 9 shall in no way relieve or limit Consumer's obligations and liabilities under other provisions of this Agreement.

#### ARTICLE 10 – BUCKEYE AND TRANSMISSION PROVIDER CONSENT

The consent of Buckeye, the Transmission Owner and/or Transmission Provider, if the Power Company determines that such consent is required, shall be required prior to any synchronized operation of the Consumer's Facility with the Power Company Distribution System. Power Company shall promptly notify the Consumer of any such consent that the Power Company determines to be required.

#### ARTICLE 11 – MISCELLANEOUS

The terms and conditions of this Appendix shall be binding upon and inure to the benefit of the parties to the Agreement and their respective successors, legal representatives and assigns of the Agreement; provided, however, that notwithstanding the terms and conditions upon which the Agreement may be assigned by Consumer, the Consumer's rights and obligations under this Appendix shall not be assigned by the Consumer without the prior written consent of the Power Company, any such assignment by the Consumer being null and void without such consent. This Appendix shall not be effective unless approved in writing by all governmental agencies from which approval is required. The Power Company represents and warrants that the governmental agencies from which it is required to obtain approval of this Appendix are as follows:

\_\_\_\_\_. The Consumer represents and warrants that the governmental agencies from which it is required to obtain approval of this Appendix are as follows:

\_\_\_\_\_. This Appendix shall be governed by and construed in accordance with the laws of the State of Ohio, except for any conflicts of laws provisions. This Appendix may not be modified except in a writing signed by both parties hereto.

IN WITNESS WHEREOF, the Parties have executed this Appendix as of the date first written above.

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT A  
INTERCONNECTION FACILITIES

This Exhibit A is a part of the Terms and Conditions for Synchronization of Generation between Consumer and Power Company.

Point of Interconnection

The point or points of interconnection will be at the point where \_\_\_\_\_  
\_\_\_\_\_. See Drawing No.  
\_\_\_\_\_, dated \_\_\_\_\_, which drawing is attached hereto and made a part hereof.

Interconnection Facilities to be Furnished by Power Company

Power Company shall construct the following interconnection facilities:

See the Power Company Feasibility Study, a copy of which is attached hereto and made a part hereof.

Interconnection Facilities to be Furnished by Consumer

Consumer shall construct the following interconnection facilities:

Cost Responsibility

Consumer shall be solely responsible for all costs associated with Consumer's construction of Interconnection Facilities.

Consumer and Power Company hereby acknowledge and agree that the cost listed below is only an estimate and that Consumer hereby agrees to and shall reimburse Power Company for all actual costs, including any applicable taxes, associated with the Power Company's construction of Interconnection Facilities, or Power Company's acquisition of any Interconnection Facilities provided to Power Company by Consumer, as set forth in this Exhibit A. The cost of the Power Company's Interconnection Facilities is estimated to be \$\_\_\_\_\_.

The Consumer will pay to the Power Company a deposit of \$\_\_\_\_\_ coincident with the execution of this Appendix.

EXHIBIT B  
METERING EQUIPMENT

This Exhibit B is a part of the Terms and Conditions for Synchronization of Generation between Consumer and Power Company.

The metering facilities are to be located\_\_\_\_\_.

Power Company, at Consumer's expense, will purchase, install, own, operate, and maintain the following metering instrumentation as required for on site metering and telemetering:

\_\_\_\_\_.

Consumer and Power Company hereby acknowledge and agree that the cost listed below is only an estimate and that Consumer hereby agrees to and shall reimburse Power Company for all actual costs, including any applicable taxes, associated with the Power Company's construction of Metering Equipment, or Power Company's acquisition of any Metering Equipment provided to Power Company by Consumer, as set forth in this Exhibit B. The cost for the Metering Equipment is estimated to be \$\_\_\_\_\_.

EXHIBIT C  
POWER COMPANY REQUIREMENTS

[insert the Power Company's Rules and Regulations for Distributed Resources (Section B of this manual) and the Power Company's Technical Guidelines for Interconnection and Parallel Operation (Section D of this manual)]

EXHIBIT D  
TRANSMISSION OWNER AND/OR TRANSMISSION PROVIDER REQUIREMENTS

[The Consumer shall pay for all facilities and upgrades identified by the Transmission Owner and/or Transmission Provider in the \_\_\_\_\_, a copy of which is attached hereto and made a part hereof. The Consumer shall enter into any facilities/construction agreements required by the Transmission Owner/Transmission Provider in connection with the construction of the necessary transmission facilities/upgrades identified in the attached report.]

EXHIBIT E  
FACILITY DESCRIPTION

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\_\_\_\_\_ . A more detailed description of the Facility is attached.

SECTION J

PEAK WARNING DEVICE AGREEMENT

PEAK WARNING DEVICE AGREEMENT

THIS AGREEMENT (“Agreement”), made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_, among Butler Rural Electric Cooperative, Inc. (“Cooperative”), an Ohio corporation not-for-profit, BUCKEYE POWER, INC. (“Buckeye”), an Ohio corporation not-for-profit, and \_\_\_\_\_ (“Consumer”), a \_\_\_\_\_;

WITNESSETH:

WHEREAS, pursuant to the Cooperative’s terms and conditions of electric service, including, without limitation, the Cooperative’s Code of Regulations, applicable rate schedules, tariffs, rules, regulations, policies, and agreement(s), if any, between the Cooperative and the Consumer relating to the provision of electric service, as they may be revised and supplemented from time to time (“Terms and Conditions of Electric Service”), Consumer is purchasing, and the Cooperative is selling, all of the electric power and energy which Consumer requires for its commercial or industrial facilities located at \_\_\_\_\_ (the “Consumer Site”); and

WHEREAS, on the Consumer Site, Consumer intends to own and operate an electric generating facility of not less than 25 kW capacity which is more particularly described on Appendix A attached hereto and made a part hereof (“Generation Facility”); and

WHEREAS, the Generation Facility will be interconnected and operated in parallel with the electric distribution system of the Cooperative in accordance with the Terms and Conditions for Synchronization of Generation, which are attached to the Agreement for Electric Service dated as of \_\_\_\_\_ between the Consumer and the Cooperative (“Terms and Conditions for Synchronization of Generation”); and

WHEREAS, the Consumer desires and intends to operate the Generation Facility for the sole purpose of (a) providing back-up electric generation service to the Consumer Site when there is an interruption of electric generation service from the Cooperative to the Consumer Site, (b) minimizing the Consumer’s contribution to a PJM 5-CP System Annual Demand, as defined herein, (c) minimizing the Consumer’s demand when but only for so long as Buckeye activates the Peak Warning Device (as defined below) for the purposes described in (b) above or for such other purposes as Buckeye may deem appropriate in its sole discretion, and (d) testing of the Generation Facility; and

WHEREAS, the Consumer has requested that the Cooperative install and that Buckeye control the activation of a peak warning device (“Peak Warning Device”) that may be activated by Buckeye when Buckeye anticipates that a PJM 5-CP System Annual

Demand, as defined herein, may occur or when Buckeye may otherwise deem appropriate; and

WHEREAS, Buckeye, as the exclusive supplier to the Cooperative of all of the electric power and energy which the Cooperative requires for resale to its members, including the Consumer, is willing to enter into this Agreement solely for the purposes herein stated;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

1. Cooperative hereby sells, and Consumer hereby purchases, a Peak Warning Device in accordance with the terms of this Agreement, including, without limitation, any additional terms of sale included on Appendix B attached hereto and made a part hereof. The Peak Warning Device is more particularly described on Appendix B hereof. The purchase price for the Peak Warning Device shall be as specified in Appendix B, which Consumer shall pay to Cooperative within thirty (30) days from the effective date of this Agreement. The Cooperative shall install the Peak Warning Device on Consumer's premises after Cooperative receives payment from Consumer therefor. After installation, the Consumer shall, at its own cost and expense, maintain, repair, monitor, inspect, test, and otherwise be fully responsible for the Peak Warning Device.
2. After installation of the Peak Warning Device by the Cooperative, Buckeye may activate such device whenever Buckeye determines in its sole discretion that a "PJM 5-CP System Annual Demand" (any of the five highest hourly kW coincident demands of all of the members of PJM Interconnection, LLC ("PJM")) as measured and determined by PJM for purposes of determining Buckeye's annual PJM capacity charges, or such other hourly kW demands used by PJM to determine Buckeye's responsibility for annual PJM capacity charges, for the applicable PJM planning year (June 1 – May 31), as determined by Buckeye from time to time) may occur or for such other purposes as Buckeye may deem appropriate in its sole discretion. Buckeye may deactivate the Peak Warning Device whenever Buckeye determines in its sole discretion that it is appropriate to do so. Attached hereto and made a part hereof as Appendix C is a summary of the number of periods, and duration of such periods, during which Buckeye has, in the past, activated various types of electric load control switches. The information contained in Appendix C is historical and for informational purposes only and does not indicate that the number of periods, or duration of such periods, during which Buckeye may activate the Peak Warning Device pursuant to this Agreement will be similar to the number of periods, and duration of such periods, during which Buckeye has activated various types of electrical load control switches in the past as set forth in Appendix C hereof. Buckeye and the Cooperative hereby expressly disclaim any representation or warranty that the information contained in Appendix C is an accurate indication of the number of

periods, or duration of such periods, during which Buckeye may activate the Peak Warning Device pursuant to this Agreement.

3. Notwithstanding any other provision of this Agreement, if Buckeye (a) fails to activate the Peak Warning Device when a PJM 5-CP System Annual Demand is occurring or about to occur, (b) fails to deactivate the Peak Warning Device when a PJM 5-CP System Annual Demand has ceased to occur or is no longer anticipated to occur, (c) activates the Peak Warning Device when a PJM 5-CP System Annual Demand is not occurring or about to occur, or (d) deactivates the Peak Warning Device when a PJM 5-CP System Annual Demand is occurring or about to occur, Buckeye shall have no responsibility or liability whatsoever to Consumer or the Cooperative as a result of such activation, deactivation, failure to activate, or failure to deactivate; provided, further, that Buckeye and the Cooperative shall have no responsibility or liability whatsoever to Consumer or to one another for failure of the Peak Warning Device to activate or deactivate for any reason, or for activation or deactivation of the Peak Warning Device for any reason; provided, further, that after activation or deactivation of the Peak Warning Device, Buckeye and the Cooperative shall have no responsibility or liability whatsoever to the Consumer or to one another for any failure of the Generation Facility to operate or cease to operate as a result of such activation or deactivation of the Peak Warning Device.
4. Consumer shall indemnify and hold Buckeye and the Cooperative and their respective trustees, members, officers, managers, employees, agents, representatives, affiliates, successors and assigns harmless from and against any and all claims, damages, losses, liabilities, suits, actions, demands, proceedings (whether legal or administrative), costs and expenses (including, without limitation, reasonable attorneys' fees) arising out of or relating to the installation, ownership, operation, maintenance, inspection, or testing of the Peak Warning Device or the Generation Facility, including, without limitation, the activation, non-activation, deactivation, failure of deactivation, operation or failure of operation, of the Peak Warning Device. This indemnification includes, but is not limited to, any cause of action brought against Buckeye or the Cooperative which is based in whole or in part on a claim that Buckeye or the Cooperative was negligent or in violation of law in relation to the installation, activation, nonactivation, deactivation, failure of deactivation, operation or failure of operation, of the Peak Warning Device. Consumer's obligation to indemnify Buckeye and the Cooperative will survive the expiration or termination of this Agreement by any party for any reason.
5. The Consumer agrees that it will interconnect and operate its Generation Facility in parallel with the electric distribution system of the Cooperative in accordance with the Terms and Conditions for Synchronization of Generation, including such terms and conditions as Buckeye, the Transmission Owner and the Transmission Provider (as defined in the Terms and Conditions for Synchronization of Generation) may require as a condition to their consent to the interconnection of

the Consumer's Generation Facility. The Cooperative and the Consumer agree that the Terms and Conditions for Synchronization of Generation shall not be modified without the consent of Buckeye. The Consumer agrees that in no event will the Consumer deliver into the electric distribution system of the Cooperative any of the electric power or energy, ancillary services (including, without limitation, reactive power), or other output of the Generation Facility. The Consumer agrees that it shall provide, install, own, operate and maintain, at its own cost and expense, all facilities and equipment as are required to prevent delivery into the Cooperative's electric distribution system of any of the electric power or energy, ancillary services (including, without limitation, reactive power), or other output of the Generation Facility.

6. The Consumer agrees that it shall install, operate, maintain, repair, monitor, inspect, and test the Generation Facility in a safe and reliable manner, and in accordance with manufacturers' recommendations, the National Electric Safety Code approved by the American National Standards Institute, and all applicable laws, governmental rules and regulations. Operation of the Generation Facility by Consumer shall be limited solely to (a) providing back-up service to the Consumer Site while an interruption of electric service from the Cooperative to the Consumer Site is occurring, (b) providing back-up service to the Consumer Site when an interruption of electric service from the Cooperative to the Consumer Site is reasonably anticipated to occur but only until such interruption ceases to occur or until such interruption is no longer reasonably anticipated to occur, (c) reducing the electric demand of the Consumer Site when a PJM 5-CP System Annual Demand is reasonably anticipated to occur but only until such PJM 5-CP System Annual Demand is no longer reasonably anticipated to occur or has ceased to occur, (d) reducing the electric demand of the Consumer Site when, but only for so long as, Buckeye activates the Peak Warning Device for the purposes described in (c) above or for such other purposes as Buckeye may deem appropriate in its sole discretion, and (e) testing of the Generation Facility in accordance with manufacturers' recommendations. Consumer and the Cooperative acknowledge and agree that any operation of the Generation Facility, except as expressly provided for in this Agreement, constitutes a violation of this Agreement and of the Terms and Conditions of Electric Service and agree that they will not cause, permit or facilitate the operation of the Generation Facility except as expressly provided for herein.
7. This Agreement shall become effective as of the date first written above and shall continue in full force and effect until terminated in accordance with the terms of this Agreement. This Agreement may be terminated: (a) by the Cooperative in the event of nonpayment by Consumer in accordance with paragraph 1 above, (b) by any party hereto, without cause, by giving the other parties hereto 30 days prior written notice, (c) by Buckeye or the Cooperative, at any time, by giving the other parties hereto 7 days prior written notice, if in the sole judgment of Buckeye or the Cooperative, Consumer breaches any provision of this Agreement, other than

for the payment of money, or violates any of the Terms and Conditions of Electric Service.

8. WITH RESPECT TO THE SALE, INSTALLATION, OPERATION, ACTIVATION, DEACTIVATION, AND NON-ACTIVATION OF THE PEAK WARNING DEVICE, BUCKEYE AND THE COOPERATIVE HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF TITLE, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. BUCKEYE MAKES NO REPRESENTATIONS OR WARRANTIES THAT ACTIVATION OF THE PEAK WARNING DEVICE INDICATES THAT A PJM 5-CP SYSTEM ANNUAL DEMAND IS OCCURRING OR ABOUT TO OCCUR OR THAT DEACTIVATION OR NON-ACTIVATION OF THE PEAK WARNING DEVICE INDICATES THAT A PJM 5-CP SYSTEM ANNUAL DEMAND IS NOT OCCURRING OR ABOUT TO OCCUR. CONSUMER ACKNOWLEDGES THAT THE PEAK WARNING DEVICE MAY BE ACTIVATED WHEN A PJM 5-CP SYSTEM ANNUAL DEMAND IS NOT OCCURRING OR ABOUT TO OCCUR AND THAT THE PEAK WARNING DEVICE MAY BE DEACTIVATED OR FAIL TO BE ACTIVATED WHEN A PJM 5-CP SYSTEM ANNUAL DEMAND IS OCCURRING OR ABOUT TO OCCUR.
9. IN NO EVENT SHALL BUCKEYE OR THE COOPERATIVE BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, OR LOSS OF PROFITS OR REVENUE, SUFFERED BY CONSUMER OR ANY THIRD PARTY, WHETHER IN AN ACTION IN CONTRACT, TORT OR STRICT LIABILITY OR OTHER LEGAL THEORY, EVEN IF BUCKEYE OR THE COOPERATIVE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL BUCKEYE'S OR THE COOPERATIVE'S LIABILITY FOR ANY DAMAGES, LOSSES OR CAUSES OF ACTION WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHER LEGAL THEORY EXCEED THE ACTUAL DOLLAR AMOUNT PAID BY CONSUMER TO THE COOPERATIVE UNDER THIS AGREEMENT.
10. Neither Buckeye nor the Cooperative shall be liable for failure or delay in performing its obligations hereunder if such failure or delay is due to any circumstances beyond its control, including, without limitation, acts of any governmental body, war, insurrection, sabotage, embargo, fire, flood, explosion, riot, storm, strike or other labor disturbance, interruption of or delay in transportation, or breakage of or accident to the Peak Warning Device, the Generation Facility, or any other machinery or equipment.
11. This Agreement sets forth the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior understandings and agreements between the parties hereto with respect to the subject matter hereof.

This Agreement may not be modified or amended except pursuant to a writing signed by all of the parties hereto. If any provision of this Agreement is held to be invalid by any court of competent jurisdiction, then the remaining provisions of this Agreement shall nonetheless continue in full force and effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Consumer shall not transfer or assign its rights or obligations under this Agreement without the express prior written consent of Buckeye and the Cooperative. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to its conflicts of laws provisions. This Agreement may be executed in counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. The parties hereto acknowledge and agree that, except with respect to the purchase of the Peak Warning Device, this Agreement relates entirely and exclusively to the provision of services and not to the purchase of products or goods.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

BUCKEYE POWER, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

[CONSUMER]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

BUTLER RURAL ELECTRIC COOPERATIVE, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**APPENDIX A**

**DESCRIPTION OF  
GENERATION FACILITY**

[Insert description of generation equipment]

**APPENDIX B**  
DESCRIPTION OF  
PEAK WARNING DEVICE AND  
ADDITIONAL TERMS OF SALE

[Insert description of peak warning device, including cost and other terms of sale]

**APPENDIX C**  
**PEAK CONTROL HISTORY**

[Insert historical data on Buckeye's activation of peak warning devices, including number and duration of activation periods]

**SECTION K**

**AGREEMENT FOR INTERCONNECTION AND PARALLEL  
OPERATION OF A  
NET BILLING QUALIFYING COGENERATION  
OR SMALL POWER PRODUCTION FACILITY**

**AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF A  
QUALIFYING COGENERATION  
OR SMALL POWER PRODUCTION FACILITY WITH NET BILLING**

**OPERATED BY \_\_\_\_\_,  
OPERATOR OF A \_\_\_\_\_ FACILITY  
AT \_\_\_\_\_, NEAR \_\_\_\_\_, OHIO**

This Agreement (“Agreement”) dated as of \_\_\_\_\_, by and between Butler Rural Electric Cooperative, Inc., an Ohio nonprofit corporation (the “Power Company”), and \_\_\_\_\_ (the “Consumer” together with the Power Company, individually, a “Party” and, collectively, the “Parties”);

WITNESSETH:

WHEREAS, the Consumer has or will install on the Premises certain Consumer-owned electric generating facilities of approximately \_\_\_\_kW in the aggregate, which electric generating facilities are more particularly described in Exhibit E attached hereto; and

WHEREAS, the Electric Generating Facility is a certified qualifying cogeneration or small power production facility under PURPA; and

WHEREAS, the Consumer desires to interconnect the Electric Generating Facility to the Power Company’s electric distribution system;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements herein contained, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1 – DEFINITIONS

Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Agreement for Electric Service. Whenever used in this Agreement, the following terms shall have the following meanings:

“Agreement for Electric Service” shall mean the Agreement for Electric Service of even date herewith between Power Company and the Consumer.

“Buckeye” shall mean Buckeye Power, Inc. and its successors and assigns.

“Electric Generating Facility” shall mean the Consumer’s electric generating units identified in Exhibit E hereof, the output of which is approximately \_\_\_\_\_kW in the aggregate, but which shall not exceed [25] [OR] [100] kW in the aggregate, and which facility is not

reasonably anticipated to exceed the annual electric energy requirements of Consumer's electric consuming facilities located on the Premises.

"Emergency" shall mean a condition or situation (i) that in the judgment of Power Company or Consumer is imminently likely to endanger life or property, (ii) that in the sole judgment of Power Company is imminently likely to adversely affect or impair the Power Company Distribution System or the electrical or transmission systems of others to which the Power Company Distribution System is directly or indirectly connected, including, without limitation, the transmission system of Transmission Owner, or (iii) that in the sole judgment of the Consumer is imminently likely to adversely affect or impair the Electric Generating Facility.

"Good Utility Practice" shall mean any of the practices, methods and acts engaged in or approved by a significant proportion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of acceptable practices, methods or acts.

"Interconnection Facilities" shall mean all facilities presently in place or presently proposed to be installed, as identified in Exhibit A hereof, or facilities which are later installed, in order to interconnect the Electric Generating Facility to the Power Company Distribution System, including System Protection Facilities.

"Interconnection Service" shall mean the services provided by the Power Company to interconnect the Electric Generating Facility with the Power Company Distribution System pursuant to the terms of this Agreement.

"Net Billing Equipment" shall mean the single bi-directional meter or pair of meters currently installed at the Point of Interconnection or to be installed at the Point of Interconnection as described in Exhibit B hereof.

"NERC" shall mean the North American Electric Reliability Council, and any successor thereto.

"Point of Interconnection" shall mean the point or points, shown in Exhibit A hereof, where the Consumer's Interconnection Facilities interconnect with the Power Company Distribution System.

“Power Company Distribution System” shall mean all electric distribution facilities owned or controlled by Power Company on Power Company’s side of the Point of Interconnection, including, without limitation, Power Company’s Interconnection Facilities.

“ReliabilityFirst” shall mean ReliabilityFirst Corporation, one of the regional reliability councils of NERC formed to promote reliability and adequacy of bulk power supply of the electric utility systems in North America, and any successor thereto.

“System Protection Facilities” shall mean the equipment required to protect (a) the Power Company Distribution System, the systems of others directly or indirectly connected to the Power Company Distribution System, including, without limitation, the transmission system of Transmission Owner, and Power Company’s customers from faults or other electrical disturbances occurring at the Electric Generating Facility or otherwise on Consumer’s side of the Point of Interconnection, and (b) the Electric Generating Facility from faults or other electrical disturbances occurring on the Power Company Distribution System or on the systems of others to which the Power Company Distribution System is directly or indirectly connected, including, without limitation, the transmission system of Transmission Owner.

“Transmission Owner” shall mean Duke Energy, Inc. or American Electric Power, owning transmission facilities to which the Power Company Distribution System is interconnected, and its successors and assigns.

“Transmission Provider” shall mean Duke Energy, Inc. or American Electric Power, providing transmission service through facilities owned by Transmission Owner, and its successors and assigns.

## ARTICLE 2 – INTERCONNECTION SERVICE

Subject to the terms and conditions of the Agreement for Electric Service and this Agreement, Power Company shall provide Consumer with Interconnection Service for the Electric Generating Facility for the term of the Agreement for Electric Service.

## ARTICLE 3 – OPERATION AND MAINTENANCE

3.1 Operation, Maintenance and Control of the Electric Generating Facility. The Consumer shall own, operate, maintain and control the Electric Generating Facility and Consumer’s Interconnection Facilities (a) in a safe and reliable manner, (b) in accordance with Good Utility Practice, (c) in accordance with applicable operational and reliability criteria, protocols, and directives, including those of NERC, ReliabilityFirst, the Power Company,

Transmission Owner and Transmission Provider (including, without limitation, those requirements of Power Company set forth in Exhibit C hereof and those requirements, if any, of Transmission Owner or Transmission Provider set forth in Exhibit D hereof), and (d) in accordance with the provisions of this Agreement. Consumer may operate the Electric Generating Facility in parallel and in synchronization with the electric power and energy provided by Power Company to Consumer pursuant to the Agreement for Electric Service, as an auxiliary or supplement to such electric power and energy and may use the output of the Electric Generating Facility to meet the requirements of Consumer's electric consuming facilities located on the Premises. Any output of the Electric Generating Facility in excess of the requirements of Consumer's electric consuming facilities located on the Premises shall be sold to Buckeye Power, Inc. and credited on a dollar for dollar basis against the Consumer's bill for electric service in accordance with the net billing arrangements described in this Agreement, the Agreement for Electric Service, and the Net Billing Rate Schedule attached to the Agreement for Electric Service.

3.2 Protection and System Quality. Consumer shall, at its expense, provide, install, own, operate and maintain System Protection Facilities, including such protective and regulating devices as are required by NERC, ReliabilityFirst, the Power Company, Transmission Owner or Transmission Provider, or by order, rule or regulation of any duly-constituted regulatory authority having jurisdiction, or as are otherwise required by Good Utility Practice in order to protect persons and property and to minimize deleterious effects to the Power Company Distribution System and the transmission system of Transmission Owner. Any such protective or regulating devices that may be required on Power Company's or Transmission Owner's facilities in connection with the operation of the Electric Generating Facility shall be installed by Power Company or Transmission Owner, as the case may be, at Consumer's expense. Power Company reserves the right to modify or expand its requirements for protective devices in conformance with Good Utility Practice.

3.3 Inspection. Power Company shall have the right but shall have no obligation or responsibility to (a) observe Consumer's tests and inspections of any of Consumer's protective equipment, (b) review the settings of Consumer's protective equipment, and (c) review Consumer's maintenance records relative to the Electric Generating Facility and Consumer's protective equipment. The foregoing rights may be exercised by Power Company from time to time as deemed necessary by the Power Company upon reasonable notice to Consumer. However, the exercise or non-exercise by Power Company of any of the foregoing rights of observation, review or inspection shall be construed neither as an endorsement or confirmation of any aspect, feature, element, or condition of the Electric Generating Facility or Consumer's protective equipment or the operation thereof, nor as a warranty as to the fitness, safety, desirability, or reliability of same.

3.4 Disconnection. Upon termination of the Agreement for Electric Service by its terms, Consumer shall disconnect the Electric Generating Facility from the Power Company Distribution System. Power Company shall have the right to disconnect, or to require the Consumer to disconnect, the Electric Generating Facility immediately and without prior notice if, in the Power Company's sole opinion, an Emergency exists and immediate disconnection is necessary to protect persons or property from injury or damage. Power Company shall have the

right to disconnect, or to require the Consumer to disconnect, the Electric Generating Facility with no less than seven days prior notice if, in the Power Company's sole opinion, such disconnection is required in order for the Power Company to conduct maintenance, repairs or replacements of its facilities or the Power Company Distribution System. Consumer shall disconnect the Electric Generating Facility immediately if an Emergency exists and immediate disconnection is necessary to protect persons or property from injury or damage.

#### ARTICLE 4 – EMERGENCIES

The Consumer agrees to comply with NERC, ReliabilityFirst, Power Company, Transmission Owner and Transmission Provider Emergency procedures, as applicable, with respect to Emergencies (including, without limitation, those of requirements of the Power Company set forth in Exhibit C hereof and those requirements, if any, of Transmission Owner or Transmission Provider set forth in Exhibit D hereof). The Consumer shall provide the Power Company with oral notification that is prompt under the circumstances of an Emergency which may reasonably be expected to affect the Power Company Distribution System or the transmission system of Transmission Owner, to the extent the Consumer is aware of the Emergency. To the extent the Consumer is aware of the facts of the Emergency, such notification shall describe the Emergency, the extent of the damage or deficiency, its anticipated duration, and the corrective action taken or to be taken, and shall be followed as soon as practicable with written notice. In the event of an Emergency, the party becoming aware of the Emergency may, in accordance with Good Utility Practice and using its reasonable judgment, take such action as is reasonable and necessary to prevent, avoid, or mitigate injury, danger, damage or loss.

#### ARTICLE 5 – MODIFICATIONS AND CONSTRUCTION

5.1 Modifications. Either party may undertake modifications to its facilities; provided, that Consumer shall not increase the output of the Electric Generating Facility or make other material change or modification to the configuration or operation of the Electric Generating Facility without the prior written consent of Power Company and Buckeye. In the event that the Consumer plans to undertake a modification that reasonably may be expected to impact the Power Company's facilities, the Consumer shall provide the Power Company and Buckeye with sufficient information regarding such modification so that the Power Company and Buckeye can evaluate the potential impact of such modification prior to commencement of the work.

5.2 Construction.

5.2.1 Land Rights. Consumer shall furnish at no cost to Power Company any necessary access, easements, licenses, and/or rights of way upon, over, under, and across lands owned or controlled by Consumer and/or its affiliated interests for the construction, operation and maintenance by Power Company of necessary lines, substations, and other equipment to accomplish interconnection of the Electric Generating Facility with the Power Company Distribution System under this Agreement and the provision of electric service to the Consumer under the Agreement for Electric Service, and shall, at all reasonable times, give the Power Company, and its agents, free access to such lines, substations, and equipment. An accessible,

protected and satisfactory site selected upon mutual agreement by the Parties and located on the Consumer's premises shall be provided by and at the Consumer's expense for installation of necessary net billing equipment, unless Power Company elects to install the net billing equipment on a location controlled by it.

5.2.2 Electric Generating Facility and Equipment Design and Construction. Consumer shall, at its sole expense, design, construct, and install the Electric Generating Facility and all equipment needed to interconnect the Electric Generating Facility with the Power Company Distribution System, except for any Interconnection Facilities to be constructed by Power Company pursuant to Exhibit A hereof. The Consumer's Interconnection Facilities and equipment shall satisfy all requirements of applicable safety and engineering codes, including the Power Company's, and further, shall satisfy all requirements of any duly-constituted regulatory authority having jurisdiction and the requirements of Transmission Owner and Transmission Provider (including, without limitation, those of requirements, if any, of Transmission Owner or Transmission Provider set forth in Exhibit D hereof). Consumer shall submit all specifications for Consumer's Interconnection Facilities and equipment, including System Protection Facilities, to the Power Company for review at least ninety (90) days prior to interconnecting such Interconnection Facilities and equipment with the Power Company Distribution System. Power Company's review of Consumer's specifications shall be construed neither as confirming nor as endorsing the design, nor as any warranty as to fitness, safety, durability or reliability of Consumer's interconnection facilities or equipment. Power Company shall not, by reasons of such review or failure to review, be responsible for strength, details of design, adequacy or capacity of Consumer's Interconnection Facilities or equipment, nor shall Power Company's acceptance be deemed to be an endorsement of any facility or equipment. Consumer agrees to make changes to its Interconnection Facilities and equipment as may be reasonably required to meet the requirements of the Power Company. In the event it becomes necessary for Power Company to alter, add to, relocate or rearrange the Interconnection Facilities or to rearrange or relocate existing Power Company-owned facilities which are not Interconnection Facilities to continue to conduct interconnected operations in accordance with Good Utility Practice, then Consumer shall pay for such work.

## ARTICLE 6 – METERING

Power Company shall purchase and install Net Billing Equipment to meter the Power Company's electric service to the Consumer and the electrical output of the Electric Generating Facility. Power Company shall own, operate and maintain the Net Billing Equipment. All costs associated with the purchase, installation, ownership, operation and maintenance of Net Billing Equipment, as more fully described in Exhibit B hereof shall be borne by Consumer.

## ARTICLE 7 – INFORMATION REPORTING

Consumer shall promptly provide to the Power Company all relevant information, documents, or data regarding the Consumer's facilities and equipment that have been reasonably requested by the Power Company.

## ARTICLE 8 – INDEMNITY AND LIABILITY

Consumer agrees to fully indemnify, release, and hold Power Company, its members, trustees, officers, managers, employees, agents, representatives, and servants, Power Company's affiliated and associated companies, and their respective members, trustees, shareholders, directors, partners, stakeholders, officers, managers, employees, agents, representatives, and servants, and Power Company's successors and assigns, harmless from and against any and all claims, demands, liabilities, losses, damages, costs and expenses (including attorneys' fees and other costs of defense) of any nature or kind whatsoever, including, but not limited to, claims, demands and/or liabilities for personal injury to (including death of) any person whomever (including payments and awards made to employees or others under any workers' compensation law or under any plan for employees' disability and death benefits) and for damage to any property whatsoever (including Consumer's Electric Generating Facility, the Power Company Distribution System, and the transmission system of Transmission Owner) arising out of or otherwise resulting from the use, ownership, maintenance, or operation of the Electric Generating Facility or the Interconnection Facilities, regardless of whether such claims, demands or liability are alleged to have been caused by negligence or to have arisen out of Power Company's status as the owner or operator of facilities involved; provided, however, that the foregoing shall not apply to the extent that any such personal injury or property damage is held to have been caused by the gross negligence or intentional wrongdoing of Power Company or its agents or employees. Neither party shall be liable in statute, contract, in tort (including negligence), strict liability, or otherwise to the other party, its agents, representatives, affiliated and associated companies, or assigns, for any incidental or consequential loss or damage whatsoever, including, but not limited to, loss of profits or revenue, resulting from any party's performance or non-performance of an obligation imposed on it by this Agreement.

## ARTICLE 9 – INSURANCE

9.1 Consumer shall obtain and maintain the following policies of insurance during the term of the Agreement: Comprehensive or Commercial General Liability insurance with bodily injury and property damage combined single limits of at least \$250,000 per occurrence if the Electric Generating Facility is 10 kW or less, \$1,000,000 per occurrence if the Electric Generating Facility is greater than 10 kW but less than 100 kW, and \$5,000,000 per occurrence if the Electric Generating Facility is 100 kW or greater, covering the Consumer's obligations and liabilities to the Power Company under this Agreement, including under Article 8.

9.2 Consumer shall cause its insurers or agents to provide Power Company with certificates of insurance evidencing the policies listed above prior to interconnecting the Electric Generating Facility with the Power Company Distribution System, as well as copies of each annual renewal certificate for such policies, promptly after such renewal certificates are issued. Power Company shall have the right to review the policies listed above at any time during the term of this Agreement, and Consumer shall promptly provide copies of the same to Power Company upon its request. Failure of Power Company to obtain certificates of insurance does not relieve Consumer of the insurance requirements set forth herein. Failure to obtain the insurance coverage required by this Article 9 shall in no way relieve or limit Consumer's obligations and liabilities under other provisions of this Agreement.

9.3 If Consumer is a residential customer of the Power Company, the following provisions shall apply:

(a) The insurance coverage requirements of Section 9.1 above may be satisfied by the residential Consumer obtaining and maintaining a Homeowner's Liability insurance policy, or if Homeowner's Liability insurance is not available, Comprehensive or Commercial General Liability insurance, Excess or Umbrella Liability insurance, or any other type of insurance policy that the Power Company deems acceptable, covering the residential Consumer's liabilities and obligations under this Agreement, with bodily injury and property damage combined single limits as set forth in Section 9.1; and

(b) The amounts of insurance required in Section 9.1 may be satisfied by the residential Consumer purchasing primary coverage in the amounts specified or by buying a separate excess Umbrella Liability policy together with lower limit primary underlying coverage. The structure of the coverage is the residential Consumer's option, so long as the total amount of insurance meets Power Company's requirements.

9.4 If Consumer is a commercial customer of the Power Company, the Consumer shall cause its insurers to provide Power Company with at least 10 days prior written notice of any cancellation, non-renewal or material change in the insurance policy by endorsing the policy to add the Power Company as a party with an additional interest in the policy with respect to such notice.

#### ARTICLE 10 – BUCKEYE, TRANSMISSION OWNER AND TRANSMISSION PROVIDER CONSENT

The consent of Buckeye, the Transmission Owner and/or Transmission Provider, if the Power Company determines that such consent is required, shall be required prior to any interconnection of the Consumer's Electric Generating Facility with the Power Company Distribution System.

#### ARTICLE 11 – TERM

This Agreement shall commence as of \_\_\_\_\_ and shall terminate upon the termination of the Agreement for Electric Service.

#### ARTICLE 12 – MISCELLANEOUS

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns; provided, however, this Agreement shall not be assigned by the Consumer without the prior written consent of the Power Company, any such assignment by the Consumer being null and void without such consent. This Agreement shall not be effective unless approved in writing by all governmental agencies from which approval is required. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, except for any conflicts of laws

provisions. This Agreement may not be modified except in a writing signed by both parties hereto.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

Member/Consumer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Butler Rural Electric Cooperative, Inc.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT A  
INTERCONNECTION FACILITIES

This Exhibit A is a part of the Agreement for Interconnection and Parallel Operation between Consumer and Power Company.

Point of Interconnection

The point of interconnection will be at the point where the commercial utility meter is connected in the service meter base.

Interconnection Facilities to be Furnished by Power Company

Power Company shall construct the following interconnection facilities:

Service Meter shall be upgraded to a meter which has multiple registers to allow for metering of electric power flow in both directions across the point of interconnection.

Interconnection Facilities to be Furnished by Consumer

Consumer shall construct the following interconnection facilities:

All facilities necessary to interconnect the generating facility to the consumer's local electric system, including a lockable disconnect device, approved by the utility, and accessible to utility personnel.

Cost Responsibility

Consumer shall be solely responsible for all costs associated with Consumer's construction of Interconnection Facilities.

Consumer and Power Company hereby acknowledge and agree that the cost listed below is only an estimate and that Consumer hereby agrees to and shall reimburse Power Company for all actual costs, including any applicable taxes, associated with the Power Company's construction of Interconnection Facilities as set forth in this Exhibit A. The cost of the Power Company's Interconnection Facilities is estimated to be \$\_\_\_\_\_. The Consumer will pay to the Power Company a deposit of \$\_\_\_\_\_ coincident with the execution of the Agreement.

EXHIBIT B  
NET BILLING EQUIPMENT

This Exhibit B is a part of the Agreement for Interconnection and Parallel Operation between Consumer and Power Company.

The net billing facilities will be located at \_\_\_\_\_.

Power Company, at Consumer's expense, will purchase, install, own, operate, and maintain the following net billing instrumentation as required for on site metering and telemetering:

Net billing will be accomplished using a single meter or pair of meters capable of registering the flow of electricity in each direction from the Power Company Distribution System to Consumer's electric consuming facilities located on the Premises, and from Consumer's Electric Generating Facility to the Power Company Distribution System. If the existing electrical meter or meters in service at the Consumer's Premises is/are not capable of measuring the flow of electricity in each direction, the Power Company will purchase, install, own, operate, and maintain an approved meter or meters that is/are capable of measuring electricity in each direction. The Consumer will pay the Power Company all expenses involved in either modifying the existing meter(s) or providing a new meter(s) capable of measuring the flow of electricity in each direction. Maintenance of the meter(s) will be the responsibility of the Power Company, which will own the meter(s).

Consumer and Power Company hereby acknowledge and agree that the cost listed below is only an estimate and that Consumer hereby agrees to and shall reimburse Power Company for all actual costs, including any applicable taxes, associated with the Power Company's installation of Net Billing Equipment as set forth in this Exhibit B. The cost for the Net Billing Equipment is estimated to be \$\_\_\_\_\_.

EXHIBIT C  
POWER COMPANY REQUIREMENTS

[insert the Power Company's Rules and Regulations for Distributed Resources (Section B of this manual) and the Power Company's Technical Guidelines for Interconnection and Parallel Operation (Section D of this manual)]

EXHIBIT D  
TRANSMISSION OWNER AND/OR TRANSMISSION PROVIDER REQUIREMENTS

[The Consumer shall pay for all facilities and upgrades identified by the Transmission Owner and/or Transmission Provider in the \_\_\_\_\_, a copy of which is attached hereto and made a part hereof. The Consumer shall enter into any facilities/construction agreements required by the Transmission Owner/Transmission Provider in connection with the construction of the necessary transmission facilities/upgrades identified in the attached report.]

EXHIBIT E  
ELECTRIC GENERATING FACILITY DESCRIPTION

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\_\_\_\_\_ . A more detailed description of the Electric Generating Facility is attached.

**SECTION L**

**AGREEMENT FOR ELECTRIC SERVICE  
FOR QUALIFYING CO-GENERATION OR  
SMALL POWER PRODUCTION FACILITIES  
WITH NET BILLING**

AGREEMENT FOR ELECTRIC SERVICE  
FOR QUALIFYING CO-GENERATION OR  
SMALL POWER PRODUCTION FACILITIES  
WITH NET BILLING

This Agreement, made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, between Butler Rural Electric Cooperative, Inc. (hereinafter called “the Power Company”) and \_\_\_\_\_ (hereinafter called the “Consumer”), whose mailing address is \_\_\_\_\_, for electric service at \_\_\_\_\_ situated generally at the intersection of \_\_\_\_\_ and \_\_\_\_\_ in \_\_\_\_\_, \_\_\_\_\_ County, Ohio (hereinafter called the “Premises”);

**WITNESSETH:**

WHEREAS, the Power Company is a not-for-profit corporation organized under the laws of the State of Ohio engaged in the business of selling electric power and energy with its principal place of business in Butler County, Ohio; and

WHEREAS, the Consumer is [a \_\_\_\_\_ organized under the laws of the State of \_\_\_\_\_ doing business in the State of Ohio, which] or [an individual who] owns and operates all land and facilities located on the Premises; and

WHEREAS, the Consumer has or will install on the Premises certain consumer-owned electric generating facilities up to [25] [OR] [100] kW in the aggregate, which electric generating facilities (the “Electric Generating Facility”) are more particularly described in Exhibit E to the Agreement for Interconnection and Parallel Operation of a Qualifying Cogeneration or Small Power Production Facility up to [25] [OR] [100] kW of even date herewith by and between the Power Company and the Consumer (the “Agreement for Interconnection and Parallel Operation”); and

WHEREAS, the Electric Generating Facility is a certified qualifying cogeneration or small power production facility under the Public Utility Regulatory Policies Act of 1978, as amended, and all governmental regulations lawfully promulgated thereunder (“PURPA”); and

WHEREAS, the output of the Electric Generating Facility is not reasonably anticipated to exceed the annual electric energy requirements of Consumer’s electric consuming facilities located on the Premises, as described herein; and

WHEREAS, the Consumer desires to interconnect the Electric Generating Facility to the Power Company's electric distribution system and to use the output of the Electric Generating Facility to first meet the requirements of the Consumer's electric consuming facilities located on the Premises and then sell to Buckeye Power, Inc. any such output in excess of the requirements of the Consumer's electric consuming facilities and receive a credit on a dollar for dollar basis against the Consumer's monthly bill for electric service under the Net Billing arrangements described in this Agreement, the Agreement for Interconnection and Parallel Operation, and the Power Company's Net Billing Rate Schedule, which is attached hereto; and

WHEREAS, the Power Company desires to sell, and the Consumer desires to purchase, electric power and energy to meet the requirements of Consumer's electric consuming facilities not served by the Electric Generating Facility under the terms and conditions hereinafter set forth; and

WHEREAS, a single meter or pair of meters has been or will be installed at the Premises, which meter or meters is/are capable of registering the flow of electricity in each direction from Power Company's electric distribution system to Consumer's electric consuming facilities on the Premises, and from Consumer's Electric Generating Facility to Power Company's electric distribution system, at the point of interconnection ("Net Billing");

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. Subject to the terms and conditions of this Agreement, the Power Company shall sell and deliver to the Consumer, and the Consumer shall purchase and receive, all of the electric power and energy which the Consumer may need at the Premises up to 25 kW, except for any such electric demand and energy which is served by Consumer's Electric Generating Facility.
2. Service hereunder shall be alternating current, single-phase, 60 cycles, 240 volts.
3. The Consumer shall pay the Power Company for service hereunder at the rate and upon the terms and conditions set forth in the Power Company's Net Billing Rate Schedule, which is attached hereto and a made a part of this Agreement as if fully restated herein. The Power Company's Net Billing Rate Schedule will be superseded by any new or amended Net Billing Rate Schedule or any successor rate schedule as approved from time to time by the Board

of Trustees of the Power Company. Payment for the service provided hereunder shall be made at the office of the Power Company located in Butler County, Ohio, or at such other place as the Power Company shall hereafter designate in writing.

4. If the Consumer shall fail to make any such payment within fifteen (15) days after such payment is due, the Power Company may discontinue service to the Consumer upon giving no less than fifteen (15) days written notice to the Consumer of its intention to do so, provided however, that such discontinuance of service shall not relieve the Consumer of any of its obligations under this Agreement.

5. The Consumer is or shall become a member of the Power Company and be bound by such rules and regulations as may from time to time be adopted by the Power Company.

6. The Consumer shall not use the electric power and energy furnished hereunder as an auxiliary or supplement to any other source of electric power and energy and shall not sell or transfer to others the electric power and energy purchased hereunder, without permission of the Power Company; provided, however, that Consumer may operate the Electric Generating Facility upon the terms and conditions and for the purposes set forth in this Agreement, the Agreement for Interconnection and Parallel Operation, and the Power Company's Net Billing Rate Schedule which is attached hereto and made a part of this Agreement as if fully restated herein. The Consumer represents and warrants to the Power Company that the Electric Generating Facility is a certified qualifying cogeneration or small power production facility under PURPA. The Consumer represents and warrants to the Power Company that the output of the Electric Generating Facility is not reasonably anticipated to exceed the annual electric energy requirements of Consumer's electric consuming facilities located on the Premises. For purposes of this Agreement and the Agreement for Interconnection and Parallel Operation, the Electric Generating Facility's output will be presumed to be "not reasonably anticipated to exceed the annual electric energy requirements of the Consumer's electric consuming facilities located on the Premises" if the Electric Generating Facility annually generates less than one hundred and twenty percent (120%) of the Consumer's annual electric energy requirements. The Consumer's "annual electric energy requirements" shall be the average amount of electricity consumed annually by the Consumer for the electric consuming facilities located on the Premises over the previous three years, using the annual period of June 1 to May 31. If the Power Company does not have the data or cannot calculate the average amount of electricity

consumed annually over the previous three years, such as in instances of new construction or vacant properties, the Power Company shall use any available consumption data to estimate the annual electricity consumption for the Consumer's electric consuming facilities located on the Premises and provide the estimation data to the Consumer. If the Electric Generating Facility annually generates one hundred and twenty percent (120%) or more of the Consumer's annual electric energy requirements, determined as set forth above, the Electric Generating Facility's output will be presumed to be "reasonably anticipated to exceed the annual electric energy requirements of the Consumer's electric consuming facilities located on the Premises," and the Power Company may, in its sole discretion, elect to cease providing electric service to the Consumer pursuant to the Power Company's Net Billing Rate Schedule and, instead, elect to provide electric service to the Consumer at the rate and upon the terms and conditions set forth in the Power Company's Back-Up and Supplementary Electric Service Rate Schedule, and require the Consumer to (a) sell the output of the Electric Generating Facility to Buckeye Power, Inc. ("Buckeye") on an hourly basis at Buckeye's purchase rate, as determined by Buckeye in its sole discretion, (b) reimburse the Power Company for the cost of the installation of hourly metering facilities (currently estimated to cost up to \$450), (c) reimburse Buckeye for the cost of its telemetering facilities (currently estimated to cost up to \$10,000), (d) pay Buckeye a monthly billing and service fee (currently \$100 per month), and (e) terminate this Agreement and the Agreement for Interconnection and Parallel Operation, and enter into a Power Purchase Agreement with Buckeye, an Agreement for Electric Service for Back-Up and Supplementary Electric Service with the Power Company, and an Agreement for Interconnection and Parallel Operation with the Power Company, to contemplate the elimination of net billing and the purchase of the Electric Generating Facility output by Buckeye on an hourly basis at Buckeye's purchase rate.

7. The Consumer shall use the output of the Electric Generating Facility first to meet the requirements of Consumer's electric consuming facilities located on the Premises. The Power Company shall use an instantaneous kWh net billing period to measure the Consumer's net production. The net production output shall be measured by determining during each such period the production in kilowatt-hours (kWh) of the Electric Generating Facility in excess of the requirements of the Consumer's electric consumer facilities. Any such output of the Electric Generating Facility in excess of the requirements of Consumer's electric consuming facilities

shall be sold to Buckeye Power, Inc. The Power Company shall bill the net electric usage pursuant to the Power Company's applicable Net Billing Rate Schedule, and credit the net electric output at Buckeye's purchase rate, on a dollar for dollar basis. In the event that the Consumer generates net positive kWh output during any such kWh netting period, (a) the Power Company will inform Buckeye Power, Inc. of the existence of such excess net kWh output; (b) Buckeye Power, Inc. will purchase such excess net kWh output at Buckeye Power, Inc.'s purchase rate, as determined by Buckeye Power, Inc. in its sole discretion, and credit Power Company's wholesale power bill for such dollar amount on a monthly basis; (c) the Power Company's load shall not be reduced by the amount of such excess net kWh output purchased by Buckeye Power, Inc. on a monthly basis, and the Power Company's load may need to be increased for Buckeye Power, Inc. wholesale power billing purposes by the amount of such excess net kWh output purchased by Buckeye Power, Inc., if the Consumer's qualifying facility is located behind the meter used by Buckeye Power, Inc. to determine the Power Company's wholesale load; (d) the Power Company shall credit Consumer's monthly power bill with the dollar amount of the billing credits paid by Buckeye Power, Inc. to the Power Company; and (e) in the event that at the end of the annual period ending May 31 of each year the aggregate dollar amount of the billing credits for such year exceeds the aggregate dollar amount of the Power Company's charges to the Consumer for such year, the Power Company shall issue a check to the Consumer for such excess dollar amount. The Consumer shall be entitled to all environmental attributes of the Electric Generating Facility during the term of this Agreement. The Consumer shall have the sole and exclusive right to designate the Electric Generating Facility as a renewable resource during the term of this Agreement in order to satisfy any federal, state or local renewable energy requirement, renewable energy procurement requirement, renewable energy portfolio standard, or other renewable energy mandate.

8. Whenever the Power Company's facilities located at the Premises are relocated solely to suit the convenience of the Consumer, the Consumer shall reimburse the Power Company for the entire cost incurred in making such change.

9. (a) The Power Company will use reasonable diligence in furnishing a regular and uninterrupted supply of electric power and energy but does not guarantee uninterrupted service. The Power Company shall not be liable for damages or other losses in case such supply is interrupted, curtailed, reduced, fluctuates, becomes irregular, or fails, or the commencement of

service to the Consumer is delayed by reason of an act of God, the public enemy, accidents, labor disputes, orders or acts of civil or military authority, governmental action, loss of power supply, breakdowns or injury to the machinery, transmission or distribution lines or other facilities of the Power Company, repairs, maintenance or any cause beyond the Power Company's control; provided, however, that in no event shall the Power Company be liable for personal injury, wrongful death, property damage or other losses not caused by or due to the gross negligence or willful and wanton misconduct of the Power Company; provided, further, however, that in no event shall the Power Company be liable for consequential damages of any nature whatsoever in case such supply of power and energy should be interrupted, curtailed, reduced, fluctuates, becomes irregular, or fails, or the commencement of service to the Consumer is delayed; and provided further that the failure of the Consumer to receive electric power and energy because of any of the aforesaid conditions shall not relieve the Consumer of its obligation to make payments to the Power Company as provided herein.

(b) The point at which service is delivered by the Power Company to the Consumer, and at which the output of Consumer's Electric Generating Facility is transferred to the Power Company, to be known as the "point of interconnection", shall be the point at which the Consumer's electric consuming facilities located on the Premises are connected to the Power Company's electric distribution system, and the point at which Consumer's Electric Generating Facility is connected to the Power Company's electric distribution system. The Power Company shall not be liable for any loss, injury or damage resulting from the Consumer's use of its facilities or equipment or occasioned by the power and energy furnished by the Power Company beyond the point of interconnection.

(c) The Consumer shall provide and maintain suitable protective devices on its equipment to prevent any loss, injury or damage that might result from any fluctuation or irregularity in the supply of electric power and energy. The Power Company shall not be liable for any loss, injury or damage resulting from any fluctuation or irregularity in the supply of power and energy which could have been prevented by the use of such protective devices.

(d) The Power Company will provide and maintain the necessary lines or service connections, metering and other apparatus which may be required for the proper measurement of and rendition of its service, and for the proper measurement of the output of Consumer's Electric Generating Facility. All such apparatus shall be owned and maintained by the Power Company.

A single meter or pair of meters will be installed which shall be capable of registering the flow of electricity in each direction from the Power Company's electric distribution system to Consumer's electric consuming facilities located on the Premises, and from the Consumer's Electric Generating Facility to Power Company's electric distribution system, at the point of interconnection.

10. In the event of loss or injury to the property of the Power Company through misuse by, or the negligence of, the Consumer or the employees of the same, the cost of the necessary repairs or replacement thereof shall be paid to the Power Company by the Consumer. Consumer will be responsible for any person tampering with, interfering with, or breaking the seals or meters or other equipment of the Power Company installed at the Premises. The Consumer hereby agrees that no one except the employees of or persons duly authorized by the Power Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of the Power Company. The Consumer shall provide the Power Company reasonable access at all times to the Power Company's meters and other facilities of the Power Company located on the Premises.

11. Metering equipment used in determining the demand and amount of electric power and energy supplied hereunder, and the demand and amount of electric power and energy produced by Consumer's Electric Generating Facility, shall be tested and calibrated, if required, by the Power Company. If any metering equipment shall be found inaccurate, it shall be restored to the extent possible to a 100.0% accurate condition; or new metering equipment to the extent necessary shall be substituted so that, as far as possible, 100.0% accuracy shall always be maintained. The Consumer shall have the right to request that a special meter test be made at any time. In the event a test made at the Consumer's request discloses that the meter tested is registering correctly, or within two percent (2%) above or below 100.0% accuracy at full load, Consumer shall bear the expense of such meter test.

The results of all such tests and calibrations shall be open to examination by the Consumer and a report of every requested test shall be furnished to the Consumer. Any meter tested and found to be not more than two percent (2%) above or below 100.0% accuracy at full load, shall be considered to be accurate in so far as correction of billing is concerned. If as a result of any test, any meter is found to register in excess of two percent (2%) above or below 100.0% accuracy at full load, then the readings of such meter previously taken for billing

purposes shall be corrected according to the percentage of inaccuracy so found, but no such correction shall extend beyond the last regular monthly billing period occurring prior to the day on which inaccuracy is discovered by such test, and no correction shall be made for a longer period than that during which it may be determined by mutual agreement of the parties involved that the inaccuracy existed. The Power Company will bear the cost of the meter test if any meter is found to register in excess of two percent (2%) above or below 100.0% accuracy at full load.

For any period that metering equipment is found to have failed wholly, or in part, to register and for which no alternate metering is available, it shall be assumed that the demand established, or electric energy delivered, as the case may be, during said period is the same as that for a period of like operation during which such meter was in service and operating.

The Power Company shall notify the Consumer in advance of the time of any meter test so that a representative of the Consumer may be present.

12. Duly authorized representatives of the Power Company shall be permitted to enter the Premises at all reasonable times in order to carry out the provisions hereof.

13. This Agreement shall become effective as of the date first above written and shall remain in effect until terminated by either party giving to the other party not less than ninety (90) days prior notice in writing of its intention to terminate.

14. (a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns; provided, however, this Agreement shall not be assigned by the Consumer without the prior written consent of the Power Company, any such assignment by the Consumer being null and void without such consent.

(b) This Agreement shall not be effective unless approved in writing by all governmental agencies from which approval is required.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, except for any conflicts of laws provisions.

16. All present or future federal, state, municipal or other lawful taxes payable by reason of the sale or purchase or Net Billing of the output of the Electric Generating Facility,

the production of electrical output from the Electric Generating Facility, or the ownership of the Electric Generating Facility, under this Agreement shall be paid by Consumer. Without limiting the generality of the foregoing, the Consumer shall be solely responsible for: any Ohio kilowatt-hour taxes associated with the production of electricity from the Electric Generating Facility; any Ohio public utility property taxes associated with the Consumer's ownership of the Electric Generating Facility; and any state or federal income taxes associated with the Consumer's receipt of payments or Net Billing by the Power Company or Buckeye under this Agreement. Consumer acknowledges that neither the Power Company nor Buckeye has represented to the Consumer that the Consumer will not be subject to any such kilowatt-hour taxes, public utility property taxes, or state or federal income taxes as a result of the Net Billing arrangements described in this Agreement.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

WITNESS:

\_\_\_\_\_

WITNESS:

\_\_\_\_\_

By:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:

Butler Rural Electric Cooperative, Inc.

By:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:

**SECTION M**

**NET BILLING RATE SCHEDULE**

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE NB-23**  
**NET BILLING**

**AVAILABILITY**

Available to consumers who, through the operation of qualifying cogeneration or small power production facilities, as defined in Butler Rural Electric Cooperative, Inc.'s Policy Manual, with a design capacity of 25 kilowatts or less for residential installations, or with a design capacity of 100 kilowatts or less for non-residential installations, have available electric energy and the associated capacity which they desire to sell to Buckeye Power, Inc., the Cooperative's generation and transmission supplier. Net billing will apply under the following provisions:

- A. The output of such facility is not reasonably anticipated to exceed the annual electric energy requirements of the consumer. For the purposes of this rate schedule, the generation facility's output will be presumed to be "not reasonably anticipated to exceed the annual electric energy requirements of the consumer" if the electric generation facility annually generates less than 120% of the Consumer's annual electric energy requirements. The Consumer's "annual electric requirements" shall be the average amount of electricity consumed annually by the consumer for the electric consuming facilities located on the Consumer's premises over the previous three years, using the annual period June 1 to May 31; and,

**NET BILLING**

Compliance with applicable rules, regulations, policies, and terms of this rate schedule is a condition precedent to purchase hereunder. The Consumer shall use the output of the qualifying facility first to meet the requirements of the consumer's electric consuming facilities located on the premises. The Cooperative shall use an instantaneous kWh net billing period to measure the consumer's net production. Any output of the qualifying facility in excess of the requirements of the Consumer's electric consuming facilities shall be sold to Buckeye Power, Inc. The Cooperative shall bill the net electric usage pursuant to this Net Billing Rate Schedule and credit the net electric output at Buckeye Power's purchase rate, on a dollar-for-dollar basis. In the event the consumer generates net positive kWh output, a) the Cooperative will inform Buckeye Power, Inc. of the existence of such net kWh output; b) Buckeye will purchase such excess net kWh output at Buckeye's purchase rate, as determined by Buckeye Power in its sole discretion, and credit the cooperative's wholesale power bill for such dollar amount on a monthly basis; c) the Cooperative's load shall not be reduced by the amount of such excess net kWh output purchased by Buckeye Power, Inc. on a monthly basis; d) the Cooperative shall credit Consumer's monthly power bill with the dollar amount of the monthly billing credits paid by Buckeye Power to the Cooperative; and e) in the event that at the end of the annual period ending May 31 of each year, the aggregate dollar amount of the monthly billing credits for such year exceeds the aggregate dollar amount of the Cooperative's charges to the Consumer for such year, the Power company shall issue a check to the Consumer for such excess dollar amount.

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE NB-23**  
**NET BILLING**

**MONTHLY RATE**

The rate for electric service shall be the same and shall be determined by the rate schedule as selected by the Cooperative, prior to consideration of the consumer's generating capabilities. The rate used to calculate any monthly billing credits for electric energy production of the Consumer's electric generating facility above the Consumer's electric energy usage in any month shall be at Buckeye Power's purchase rate. All terms and conditions of the selected rate schedule will also be applicable under Schedule NB-23.

**METERING**

Net billing will be accomplished using a single meter or pair of meters capable of registering the flow of electricity in each direction from the Cooperative's electric distribution system to Consumer's electric consuming facilities located on the Premises, and from Consumer's qualifying facility to Cooperative's electric distribution system.

**OTHER TERMS AND CONDITIONS**

The Cooperative's rules and regulations relating to the purchases from qualifying cogeneration and small power production facilities as they are now in effect or as they may hereafter be amended from time to time, are incorporated into and made a part of this rate schedule as if contained herein. The Consumer shall comply with all the provisions of such rules and regulations.

**RATE REVIEW**

The above rate schedule is reviewed annually to determine necessary adjustments, based upon current cost factors. This schedule is subject to more frequent review, should economic and/or environmental conditions dictate. Notification will be made 60-days prior to any "Distribution" rate adjustment.

**SECTION N**

**AGREEMENT FOR INTERCONNECTION AND PARALLEL  
OPERATION  
OF A QUALIFYING NON-RESIDENTIAL COGENERATION OR  
SMALL POWER PRODUCTION FACILITY GREATER THAN  
100 KW**

**OR A QUALIFYING RESIDENTIAL COGENERATION OR  
SMALL POWER PRODUCTION FACILITY GREATER THAN  
25 KW**

**AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION  
OF A QUALIFYING NON-RESIDENTIAL COGENERATION OR SMALL POWER  
PRODUCTION FACILITY GREATER THAN 100 KW**

**OR A QUALIFYING RESIDENTIAL COGENERATION OR SMALL POWER  
PRODUCTION FACILITY GREATER THAN 25 KW**

This Agreement (“Agreement”) dated as of \_\_\_\_\_, by and between Butler Rural Electric Cooperative, Inc., an Ohio nonprofit corporation (the “Power Company”), and \_\_\_\_\_ (the “Consumer” together with the Power Company, individually, a “Party” and, collectively, the “Parties”);

WITNESSETH:

WHEREAS, the Consumer has or will install on the Premises certain Consumer-owned electric generating facilities of approximately \_\_\_MW in the aggregate, which electric generating facilities are more particularly described in Exhibit E attached hereto; and

WHEREAS, the Electric Generating Facility is a certified qualifying cogeneration or small power production facility under PURPA; and

WHEREAS, the Consumer desires to interconnect the Electric Generating Facility to the Power Company’s electric distribution system;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements herein contained, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1 – DEFINITIONS

Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Agreement for Electric Service. Whenever used in this Agreement, the following terms shall have the following meanings:

“Agreement for Electric Service” shall mean the Agreement for Electric Service of even date herewith between Power Company and the Consumer.

“Buckeye” shall mean Buckeye Power, Inc. and its successors and assigns.

“Electric Generating Facility” shall mean the Consumer’s electric generating units identified in Exhibit E hereof, the output of which is approximately \_\_\_\_\_MW in the aggregate.

“Emergency” shall mean a condition or situation (i) that in the judgment of Power Company or Consumer is imminently likely to endanger life or property, (ii) that in the sole judgment of Power Company is imminently likely to adversely affect or impair the Power Company Distribution System or the electrical or transmission systems of others to which the

Power Company Distribution System is directly or indirectly connected, including, without limitation, the transmission system of Transmission Owner, or (iii) that in the sole judgment of the Consumer is imminently likely to adversely affect or impair the Electric Generating Facility.

“Good Utility Practice” shall mean any of the practices, methods and acts engaged in or approved by a significant proportion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of acceptable practices, methods or acts.

“Interconnection Facilities” shall mean all facilities presently in place or presently proposed to be installed, as identified in Exhibit A hereof, or facilities which are later installed, in order to interconnect the Electric Generating Facility to the Power Company Distribution System, including System Protection Facilities.

“Interconnection Service” shall mean the services provided by the Power Company to interconnect the Electric Generating Facility with the Power Company Distribution System pursuant to the terms of this Agreement.

“Metering Equipment” shall mean the single meter currently installed at the Point of Interconnection or to be installed at the Point of Interconnection as described in Exhibit B hereof.

“NERC” shall mean the North American Electric Reliability Council, and any successor thereto.

“Point of Interconnection” shall mean the point or points, shown in Exhibit A hereof, where the Consumer’s Interconnection Facilities interconnect with the Power Company Distribution System.

“Power Company Distribution System” shall mean all electric distribution facilities owned or controlled by Power Company on Power Company’s side of the Point of Interconnection, including, without limitation, Power Company’s Interconnection Facilities.

“ReliabilityFirst” shall mean ReliabilityFirst Corporation, one of the regional reliability councils of NERC formed to promote reliability and adequacy of bulk power supply of the electric utility systems in North America, and any successor thereto.

“System Protection Facilities” shall mean the equipment required to protect (a) the Power Company Distribution System, the systems of others directly or indirectly connected to the Power Company Distribution System, including, without limitation, the transmission system of Transmission Owner, and Power Company’s customers from faults or other electrical disturbances occurring at the Electric Generating Facility or otherwise on Consumer’s side of the

Point of Interconnection, and (b) the Electric Generating Facility from faults or other electrical disturbances occurring on the Power Company Distribution System or on the systems of others to which the Power Company Distribution System is directly or indirectly connected, including, without limitation, the transmission system of Transmission Owner.

“Transmission Owner” shall mean Duke Energy, Inc. or American Electric Power, owning transmission facilities to which the Power Company Distribution System is interconnected, and its successors and assigns.

“Transmission Provider” shall mean Duke Energy, Inc., or American Electric Power, providing transmission service through facilities owned by Transmission Owner, and its successors and assigns.

## ARTICLE 2 – INTERCONNECTION SERVICE

Subject to the terms and conditions of the Agreement for Electric Service and this Agreement, Power Company shall provide Consumer with Interconnection Service for the Electric Generating Facility for the term of the Agreement for Electric Service.

## ARTICLE 3 – OPERATION AND MAINTENANCE

3.1 Operation, Maintenance and Control of the Electric Generating Facility. The Consumer shall own, operate, maintain and control the Electric Generating Facility and Consumer’s Interconnection Facilities (a) in a safe and reliable manner, (b) in accordance with Good Utility Practice, (c) in accordance with applicable operational and reliability criteria, protocols, and directives, including those of NERC, ReliabilityFirst, the Power Company, Transmission Owner and Transmission Provider (including, without limitation, those requirements of Power Company set forth in Exhibit C hereof and those requirements, if any, of Transmission Owner or Transmission Provider set forth in Exhibit D hereof), and (d) in accordance with the provisions of this Agreement. Consumer may operate the Electric Generating Facility in parallel and in synchronization with the electric power and energy provided by Power Company to Consumer pursuant to the Agreement for Electric Service[, as an auxiliary or supplement to such electric power and energy, and may][**OR**][ **Consumer shall not**] use the output of the Electric Generating Facility to meet the requirements of Consumer’s [or any of its affiliates] electric consuming facilities located on the Premises. Any output of the Electric Generating Facility [in excess of the requirements of Consumer’s electric consuming facilities located on the Premises] shall be sold to Buckeye Power, Inc. in accordance with the Agreement to Purchase Power and Energy of even date herewith between the Consumer and Buckeye Power, Inc. (“Agreement to Purchase Power and Energy”).

3.2 Protection and System Quality. Consumer shall, at its expense, provide, install, own, operate and maintain System Protection Facilities, including such protective and regulating devices as are required by NERC, ReliabilityFirst, the Power Company, Transmission Owner or Transmission Provider, or by order, rule or regulation of any duly-constituted regulatory authority having jurisdiction, or as are otherwise required by Good Utility Practice in order to protect persons and property and to minimize deleterious effects to the Power Company

Distribution System and the transmission system of Transmission Owner. Any such protective or regulating devices that may be required on Power Company's or Transmission Owner's facilities in connection with the operation of the Electric Generating Facility shall be installed by Power Company or Transmission Owner, as the case may be, at Consumer's expense. Power Company reserves the right to modify or expand its requirements for protective devices in conformance with Good Utility Practice.

3.3 Inspection. Power Company shall have the right but shall have no obligation or responsibility to (a) observe Consumer's tests and inspections of any of Consumer's protective equipment, (b) review the settings of Consumer's protective equipment, and (c) review Consumer's maintenance records relative to the Electric Generating Facility and Consumer's protective equipment. The foregoing rights may be exercised by Power Company from time to time as deemed necessary by the Power Company upon reasonable notice to Consumer. However, the exercise or non-exercise by Power Company of any of the foregoing rights of observation, review or inspection shall be construed neither as an endorsement or confirmation of any aspect, feature, element, or condition of the Electric Generating Facility or Consumer's protective equipment or the operation thereof, nor as a warranty as to the fitness, safety, desirability, or reliability of same.

3.4 Disconnection. Upon termination of the Agreement for Electric Service by its terms, Consumer shall disconnect the Electric Generating Facility from the Power Company Distribution System. Power Company shall have the right to disconnect, or to require the Consumer to disconnect, the Electric Generating Facility immediately and without prior notice if, in the Power Company's sole opinion, an Emergency exists and immediate disconnection is necessary to protect persons or property from injury or damage. Power Company shall have the right to disconnect, or to require the Consumer to disconnect, the Electric Generating Facility with no less than seven days prior notice if, in the Power Company's sole opinion, such disconnection is required in order for the Power Company to conduct maintenance, repairs or replacements of its facilities or the Power Company Distribution System. Consumer shall disconnect the Electric Generating Facility immediately if an Emergency exists and immediate disconnection is necessary to protect persons or property from injury or damage.

#### ARTICLE 4 – EMERGENCIES

The Consumer agrees to comply with NERC, ReliabilityFirst, Power Company, Transmission Owner and Transmission Provider Emergency procedures, as applicable, with respect to Emergencies (including, without limitation, those of requirements of the Power Company set forth in Exhibit C hereof and those requirements, if any, of Transmission Owner or Transmission Provider set forth in Exhibit D hereof). The Consumer shall provide the Power Company with oral notification that is prompt under the circumstances of an Emergency which may reasonably be expected to affect the Power Company Distribution System or the transmission system of Transmission Owner, to the extent the Consumer is aware of the Emergency. To the extent the Consumer is aware of the facts of the Emergency, such notification shall describe the Emergency, the extent of the damage or deficiency, its anticipated duration, and the corrective action taken or to be taken, and shall be followed as soon as practicable with written notice. In the event of an Emergency, the party becoming aware of the

Emergency may, in accordance with Good Utility Practice and using its reasonable judgment, take such action as is reasonable and necessary to prevent, avoid, or mitigate injury, danger, damage or loss.

## ARTICLE 5 – MODIFICATIONS AND CONSTRUCTION

5.1 Modifications. Either party may undertake modifications to its facilities; provided, that Consumer shall not increase the output of the Electric Generating Facility or make other material change or modification to the configuration or operation of the Electric Generating Facility without the prior written consent of Power Company and Buckeye. In the event that the Consumer plans to undertake a modification that reasonably may be expected to impact the Power Company's facilities, the Consumer shall provide the Power Company and Buckeye with sufficient information regarding such modification so that the Power Company and Buckeye can evaluate the potential impact of such modification prior to commencement of the work.

### 5.2 Construction.

5.2.1 Land Rights. Consumer shall furnish at no cost to Power Company any necessary access, easements, licenses, and/or rights of way upon, over, under, and across lands owned or controlled by Consumer and/or its affiliated interests for the construction, operation and maintenance by Power Company of necessary lines, substations, and other equipment to accomplish interconnection of the Electric Generating Facility with the Power Company Distribution System under this Agreement and the provision of electric service to the Consumer under the Agreement for Electric Service, and shall, at all reasonable times, give the Power Company, and its agents, free access to such lines, substations, and equipment. An accessible, protected and satisfactory site selected upon mutual agreement by the Parties and located on the Consumer's premises shall be provided by and at the Consumer's expense for installation of necessary metering equipment, unless Power Company elects to install the metering equipment on a location controlled by it.

5.2.2 Electric Generating Facility and Equipment Design and Construction. Consumer shall, at its sole expense, design, construct, and install the Electric Generating Facility and all equipment needed to interconnect the Electric Generating Facility with the Power Company Distribution System, except for any Interconnection Facilities to be constructed by Power Company pursuant to Exhibit A hereof. The Consumer's Interconnection Facilities and equipment shall satisfy all requirements of applicable safety and engineering codes, including the Power Company's, and further, shall satisfy all requirements of any duly-constituted regulatory authority having jurisdiction and the requirements of Transmission Owner and Transmission Provider (including, without limitation, those of requirements, if any, of Transmission Owner or Transmission Provider set forth in Exhibit D hereof). Consumer shall submit all specifications for Consumer's Interconnection Facilities and equipment, including System Protection Facilities, to the Power Company for review at least ninety (90) days prior to interconnecting such Interconnection Facilities and equipment with the Power Company Distribution System. Power Company's review of Consumer's specifications shall be construed neither as confirming nor as endorsing the design, nor as any warranty as to fitness, safety, durability or reliability of Consumer's interconnection facilities or equipment. Power Company shall not, by reasons of

such review or failure to review, be responsible for strength, details of design, adequacy or capacity of Consumer's Interconnection Facilities or equipment, nor shall Power Company's acceptance be deemed to be an endorsement of any facility or equipment. Consumer agrees to make changes to its Interconnection Facilities and equipment as may be reasonably required to meet the requirements of the Power Company. In the event it becomes necessary for Power Company to alter, add to, relocate or rearrange the Interconnection Facilities or to rearrange or relocate existing Power Company-owned facilities which are not Interconnection Facilities to continue to conduct interconnected operations in accordance with Good Utility Practice, then Consumer shall pay for such work.

#### ARTICLE 6 – METERING

Power Company shall purchase and install Metering Equipment to meter the electric service sold by the Consumer from the Electric Generating Facility to Buckeye Power, Inc. Power Company shall own, operate and maintain the Metering Equipment. All costs associated with the purchase, installation, ownership, operation and maintenance of Metering Equipment, as more fully described in Exhibit B hereof shall be borne by Consumer.

#### ARTICLE 7 – INFORMATION REPORTING

Consumer shall promptly provide to the Power Company all relevant information, documents, or data regarding the Consumer's facilities and equipment that have been reasonably requested by the Power Company.

#### ARTICLE 8 – INDEMNITY AND LIABILITY

Consumer agrees to fully indemnify, release, and hold Power Company, its members, trustees, officers, managers, employees, agents, representatives, and servants, Power Company's affiliated and associated companies, and their respective members, trustees, shareholders, directors, partners, stakeholders, officers, managers, employees, agents, representatives, and servants, and Power Company's successors and assigns, harmless from and against any and all claims, demands, liabilities, losses, damages, costs and expenses (including attorneys' fees and other costs of defense) of any nature or kind whatsoever, including, but not limited to, claims, demands and/or liabilities for personal injury to (including death of) any person whomever (including payments and awards made to employees or others under any workers' compensation law or under any plan for employees' disability and death benefits) and for damage to any property whatsoever (including Consumer's Electric Generating Facility, the Power Company Distribution System, and the transmission system of Transmission Owner) arising out of or otherwise resulting from the use, ownership, maintenance, or operation of the Electric Generating Facility or the Interconnection Facilities, regardless of whether such claims, demands or liability are alleged to have been caused by negligence or to have arisen out of Power Company's status as the owner or operator of facilities involved; provided, however, that the foregoing shall not apply to the extent that any such personal injury or property damage is held to have been caused by the gross negligence or intentional wrongdoing of Power Company or its agents or employees. Neither party shall be liable in statute, contract, in tort (including negligence), strict liability, or otherwise to the other party, its agents, representatives, affiliated

and associated companies, or assigns, for any incidental or consequential loss or damage whatsoever, including, but not limited to, loss of profits or revenue, resulting from any party's performance or non-performance of an obligation imposed on it by this Agreement.

## ARTICLE 9 – INSURANCE

9.1 Consumer shall obtain and maintain the following policies of insurance during the term of this Agreement:

(a) Workers' Compensation Insurance which complies with the laws of the State of Ohio and Employers' Liability insurance with limits of at least \$ 1,000,000; and

(b) Comprehensive or Commercial General Liability insurance with bodily injury and property damage combined single limits of at least \$250,000 per occurrence if the Electric Generating Facility is 10 kW or less, \$1,000,000 per occurrence if the Electric Generating Facility is greater than 10 kW but less than 100 kW, and \$5,000,000 per occurrence if the Electric Generating Facility is 100 kW or greater. Such insurance shall include, but not necessarily be limited to specific coverage for contractual liability encompassing the indemnification provisions in Article 8, broad form property damage liability, personal injury liability, explosion and collapse hazard coverage, products/completed operations liability, and, where applicable, watercraft protection and indemnity liability; and

(c) If the Electric Generating Facility is greater than 2 MW, Excess Umbrella liability insurance with a single limit of at least \$5,000,000 per occurrence in excess of the limits of insurance provided in subparagraphs (a) and (b) above.

9.2 The coverages requested in Section 9.1(b) above and any Umbrella or Excess coverage should be "occurrence" form policies. In the event Consumer has "claims-made" form coverage, Consumer must obtain prior approval of all "claims-made" policies from Power Company.

9.3 Consumer shall cause its insurers to amend its Comprehensive or Commercial General Liability and, if applicable, Umbrella or Excess Liability policies with the following endorsement items (a) through (e); and to amend Consumer's Workers' Compensation, and Auto Liability policies with endorsement item (e):

(a) Power Company, and its directors, officers, and employees are additional Insureds under this Policy; and

(b) This insurance is primary with respect to the interest of Power Company, and its directors, officers, and employees and any other insurance maintained by them is excess and not contributory with this insurance; and

(c) The following cross liability clause is made a part of the policy: "In the event of claims being made by reasons of (i) personal and/or bodily injuries suffered by any employee or employees of one insured hereunder for which another insured hereunder is or may

be liable, or (ii) damage to property belonging to any insured hereunder for which another insured is or may be liable, then this policy shall cover such insured against whom a claim is made or may be made in the same manner as if separate policies have been issued to each insured hereunder, except with respect to the limits of insurance; and

(d) Insurer hereby waives all rights of subrogation against Power Company, and its officers, directors and employees; and

(e) Notwithstanding any provision of the policy, this policy may not be canceled, non-renewed or materially changed by the insurer without giving thirty (30) days prior written notice to Power Company. All other terms and conditions of the policy remain unchanged.

9.4 Consumer shall cause its insurers or agents to provide Power Company with certificates of insurance evidencing the policies and endorsements listed above prior to interconnecting the Electric Generating Facility with the Power Company Distribution System, as well as copies of each annual renewal certificate for such policies and endorsements, promptly after such renewal certificates are issued. Power Company shall have the right to review the policies and endorsements listed above at any time during the term of this Agreement, and Consumer shall promptly provide copies of the same to Power Company upon its request. Failure of Power Company to obtain certificates of insurance does not relieve Consumer of the insurance requirements set forth herein. Failure to obtain the insurance coverage required by this Article 9 shall in no way relieve or limit Consumer's obligations and liabilities under other provisions of this Agreement.

#### ARTICLE 10 – BUCKEYE, TRANSMISSION OWNER AND TRANSMISSION PROVIDER CONSENT

The consent of Buckeye, the Transmission Owner and/or Transmission Provider, if the Power Company determines that such consent is required, shall be required prior to any interconnection of the Consumer's Electric Generating Facility with the Power Company Distribution System.

#### ARTICLE 11 – TERM

This Agreement shall begin on the date first written above and shall continue until the ten year anniversary of the Commencement Date (as defined in the Agreement to Purchase Power and Energy) unless extended, terminated or cancelled. Commencing with the tenth (10<sup>th</sup>) anniversary date of the Commencement Date, this Agreement shall automatically renew for successive periods of one (1) year each, unless either party provides notice of termination at least 90 days prior to the end of the initial term or any one year extension of the initial term, in which case the Agreement shall terminate at the end of the then current term. Power Company may terminate this Agreement at any time upon material breach by Consumer of its obligations under this Agreement. This Agreement shall automatically terminate upon the termination of the Agreement for Electric Service or the Agreement to Purchase Power and Energy.

ARTICLE 12 – MISCELLANEOUS

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns; provided, however, this Agreement shall not be assigned by the Consumer without the prior written consent of the Power Company, any such assignment by the Consumer being null and void without such consent. This Agreement shall not be effective unless approved in writing by all governmental agencies from which approval is required. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, except for any conflicts of laws provisions. This Agreement may not be modified except in a writing signed by both parties hereto.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BUTLER RURAL ELECTRIC COOPERATIVE, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT A  
INTERCONNECTION FACILITIES

This Exhibit A is a part of the Agreement for Interconnection and Parallel Operation between Consumer and Power Company.

Point of Interconnection

The point of interconnection will be at the point where\_\_\_\_\_. See Drawing No.\_\_\_\_\_, dated\_\_\_\_\_, which drawing is attached hereto and made a part hereof.

Interconnection Facilities to be Furnished by Power Company

Power Company shall construct the following interconnection facilities:

See the Power Company Feasibility Study, a copy of which is attached hereto and made a part hereof.

Interconnection Facilities to be Furnished by Consumer

Consumer shall construct the following interconnection facilities:

\_\_\_\_\_

Cost Responsibility

Consumer shall be solely responsible for all costs associated with Consumer's construction of Interconnection Facilities.

Consumer and Power Company hereby acknowledge and agree that the cost listed below is only an estimate and that Consumer hereby agrees to and shall reimburse Power Company for all actual costs, including any applicable taxes, associated with the Power Company's construction of Interconnection Facilities as set forth in this Exhibit A. The cost of the Power Company's Interconnection Facilities is estimated to be \$\_\_\_\_\_. The Consumer will pay to the Power Company a deposit of \$\_\_\_\_\_ coincident with the execution of the Agreement.

EXHIBIT B  
METERING EQUIPMENT

This Exhibit B is a part of the Agreement for Interconnection and Parallel Operation between Consumer and Power Company.

The metering facilities will be located at \_\_\_\_\_.

Power Company, at Consumer's expense, will purchase, install, own, operate, and maintain the following metering instrumentation as required for on site metering and telemetering:

Metering will be accomplished using a single meter capable of registering the flow of electricity from the Consumer's electric generating facility to the Power Company Distribution System. Maintenance of the meter(s) will be the responsibility of the Power Company, which will own the meter(s).

Consumer and Power Company hereby acknowledge and agree that the cost listed below is only an estimate and that Consumer hereby agrees to and shall reimburse Power Company for all actual costs, including any applicable taxes, associated with the Power Company's installation of Metering Equipment as set forth in this Exhibit B. The cost for the Metering Equipment is estimated to be \$\_\_\_\_\_.

EXHIBIT C  
POWER COMPANY REQUIREMENTS

[insert the Power Company's Rules and Regulations for Distributed Resources (Section B of this manual) and the Power Company's Technical Guidelines for Interconnection and Parallel Operation (Section D of this manual)]

EXHIBIT D  
TRANSMISSION OWNER AND/OR TRANSMISSION PROVIDER REQUIREMENTS

[The Consumer shall pay for all facilities and upgrades identified by the Transmission Owner and/or Transmission Provider in the PJM Generator Interconnection Request, Queue \_\_\_\_\_, Power Company's Feasibility/Impact Study dated \_\_\_\_\_, and in the Wholesale Market Participation Agreement by and among Transmission Provider, Transmission Owner and Consumer dated \_\_\_\_\_, copies of which are attached hereto and made a part hereof. The Consumer shall enter into any facilities/construction agreements required by the Transmission Owner/Transmission Provider in connection with the construction of the necessary transmission facilities/upgrades identified in the attached documents.]

EXHIBIT E  
ELECTRIC GENERATING FACILITY DESCRIPTION

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\_\_\_\_\_ . A more detailed description of the Electric Generating Facility is attached.

**SECTION O**

**AGREEMENT FOR**

**[BACK-UP AND SUPPLEMENTARY] ELECTRIC SERVICE**

AGREEMENT FOR [BACK-UP AND SUPPLEMENTARY] ELECTRIC SERVICE

This Agreement, made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_, between Butler Rural Electric Cooperative, Inc. (hereinafter called “the Power Company”) and \_\_\_\_\_ (hereinafter called the “Consumer”), for electric service at \_\_\_\_\_, Ohio, \_\_\_\_\_, Power Company Location No. \_\_\_\_\_ (hereinafter called the “Premises”);

**WITNESSETH:**

WHEREAS, the Power Company is a not-for-profit corporation organized under the laws of the State of Ohio engaged in the business of selling electric power and energy at retail with its principal place of business located at 3888 Stillwell-Beckett Road, Oxford, OH 45056; and

WHEREAS, the Consumer [Consumer’s affiliate] owns and operates all land and facilities located on the Premises [other than the Electric Generating Facility]; and

WHEREAS, the Consumer has or will install on the Premises certain consumer-owned electric generating facilities of approximately \_\_\_\_ MW in the aggregate, which electric generating facilities (the “Electric Generating Facility”) are more particularly described in Exhibit E to the Agreement for Interconnection and Parallel Operation of even date herewith by and between the Power Company and the Consumer (the “Agreement for Interconnection and Parallel Operation”); and

WHEREAS, the Electric Generating Facility is a certified qualifying cogeneration or small power production facility under the Public Utility Regulatory Policies Act of 1978, as amended, and all governmental regulations lawfully promulgated thereunder (“PURPA”); and

WHEREAS, the Consumer desires to interconnect the Electric Generating Facility to the Power Company’s electric distribution system and to [use the output of the Electric Generating Facility to first meet the requirements of the Consumer’s electric consuming facilities located on the Premises and then to sell to Buckeye Power, Inc. any such output in excess of the requirements of the Consumer’s electric consuming facilities] **[OR]** [sell the output of the Electric Generating Facility to Buckeye Power, Inc.] under the Agreement to Purchase Power and Energy of even date herewith by and between the Consumer and Buckeye Power, Inc. (“Agreement for Purchase of Power and Energy from Qualifying Facility”); and

WHEREAS, the Power Company desires to sell, and the Consumer desires to purchase, electric power and energy to meet the requirements of Consumer's electric consuming facilities located on the Premises, [including] **[OR]** [not served by] the Electric Generating Facility, under the terms and conditions hereinafter set forth; and

WHEREAS, the Consumer understands, in accordance with Butler Rural Electric Cooperative policies, use of distributed generation resources will prevent or end participation in the cooperative's Geothermal, Dual Fuel and Air-to-Air Heat Pump programs; and

WHEREAS, a single meter has been or will be installed for the Power Company's Location No. \_\_\_\_\_ at the Premises, which meter is capable of registering the flow of electricity from Power Company's electric distribution system to Consumer's electric consuming facilities on the Premises at the point of interconnection; and

WHEREAS, \_\_\_\_\_ receives retail electric service from the Power Company at Location No. \_\_\_\_\_ for service to electric load located on the Premises.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. Subject to the terms and conditions of this Agreement, the Power Company shall sell and deliver to the Consumer, and the Consumer shall purchase and receive, all of the electric power and energy which the Consumer may need at the Premises up to \_\_\_\_\_ kW [except for any such electric demand and energy which is served by Consumer's Electric Generating Facility].
2. Service hereunder shall be alternating current, \_\_\_\_\_ phase, 60 cycles, \_\_\_\_\_ volts for Location No. \_\_\_\_\_.
3. The Consumer shall pay the Power Company for service hereunder at the rate and upon the terms and conditions set forth in the Power Company's [Back-Up and Supplementary Electric Service Rate Schedule] **[OR]** [Standby Power Service Rate Schedule], which is attached hereto and made a part of this Agreement as if fully restated herein. The Power Company's [Back-Up and Supplementary Electric Service Rate Schedule] **[OR]** [Standby Power Service Rate Schedule] will be superseded by any new or amended [Back-Up and Supplementary Electric Service Rate Schedule] **[OR]** [Standby Power Service Rate Schedule] or any successor rate schedule as approved from time to time by the Board of Trustees of the Power Company.

Payment for the service provided hereunder shall be made at the office of the Power Company, or at such other place as the Power Company shall hereafter designate in writing.

4. If the Consumer shall fail to make any such payment within fifteen (15) days after such payment is due, the Power Company may discontinue service to the Consumer upon giving no less than fifteen (15) days written notice to the Consumer of its intention to do so, provided however, that such discontinuance of service shall not relieve the Consumer of any of its obligations under this Agreement.

5. The Consumer is or shall become a member of the Power Company and be bound by such rules and regulations as may from time to time be adopted by the Power Company.

6. The Consumer shall not use the electric power and energy furnished hereunder as an auxiliary or supplement to any other source of electric power and energy and shall not sell or transfer to others the electric power and energy purchased hereunder, without permission of the Power Company; provided, however, that Consumer may operate the Electric Generating Facility upon the terms and conditions and for the purposes set forth in this Agreement, the Agreement for Interconnection and Parallel Operation, [the Power Company's Back-Up and Supplementary Electric Service Rate Schedule or Standby Power Service Rate Schedule which is attached hereto and made a part of this Agreement as if fully restated herein] and the Agreement for Purchase of Power and Energy from Qualifying Facility. The Consumer represents and warrants to the Power Company that the Electric Generating Facility is a certified qualifying cogeneration or small power production facility under PURPA.

7. The Consumer shall [use the output of the Electric Generating Facility to first meet the requirements of the Consumer's electric consuming facilities located on the Premises. Any output of the Electric Generating Facility in excess of the requirements of Consumer's electric consuming facilities shall be sold to] [OR] [sell the output of the Electric Generating Facility to] Buckeye Power, Inc. in accordance with the Agreement for Purchase of Power and Energy from Qualifying Facility of even date herewith.

8. Whenever the Power Company's facilities located at the Premises are relocated solely to suit the convenience of the Consumer, the Consumer shall reimburse the Power Company for the entire cost incurred in making such change.

9. (a) The Power Company will use reasonable diligence in furnishing a regular and uninterrupted supply of electric power and energy but does not guarantee uninterrupted

service. The Power Company shall not be liable for damages or other losses in case such supply is interrupted, curtailed, reduced, fluctuates, becomes irregular, or fails, or the commencement of service to the Consumer is delayed by reason of an act of God, the public enemy, accidents, labor disputes, orders or acts of civil or military authority, governmental action, loss of power supply, breakdowns or injury to the machinery, transmission or distribution lines or other facilities of the Power Company, repairs, maintenance or any cause beyond the Power Company's control; provided, however, that in no event shall the Power Company be liable for personal injury, wrongful death, property damage or other losses not caused by or due to the gross negligence or willful and wanton misconduct of the Power Company; provided, further, however, that in no event shall the Power Company be liable for consequential damages of any nature whatsoever in case such supply of power and energy should be interrupted, curtailed, reduced, fluctuates, becomes irregular, or fails, or the commencement of service to the Consumer is delayed; and provided further that the failure of the Consumer to receive electric power and energy because of any of the aforesaid conditions shall not relieve the Consumer of its obligation to make payments to the Power Company as provided herein.

(b) The point at which service is delivered by the Power Company to the Consumer at Power Company Location No. \_\_\_\_\_ on the Premises, to be known as the "point of interconnection", shall be the point at which the Consumer's electric consuming facilities located on the Premises are connected to the Power Company's electric distribution system. The Power Company shall not be liable for any loss, injury or damage resulting from the Consumer's use of its facilities or equipment or occasioned by the power and energy furnished by the Power Company beyond the point of interconnection.

(c) The Consumer shall provide and maintain suitable protective devices on its equipment to prevent any loss, injury or damage that might result from any fluctuation or irregularity in the supply of electric power and energy. The Power Company shall not be liable for any loss, injury or damage resulting from any fluctuation or irregularity in the supply of power and energy which could have been prevented by the use of such protective devices.

(d) The Power Company will provide and maintain the necessary lines or service connections, metering and other apparatus which may be required for the proper measurement of and rendition of its service. All such apparatus shall be owned and maintained by the Power Company. A single meter will be installed at the Power Company Location No. \_\_\_\_\_ at the

Premises, which meter shall be capable of registering the flow of electricity from the Power Company's electric distribution system to Consumer's electric consuming facilities located on the Premises at the point of interconnection.

10. In the event of loss or injury to the property of the Power Company through misuse by, or the negligence of, the Consumer or the employees of the same, the cost of the necessary repairs or replacement thereof shall be paid to the Power Company by the Consumer.

Consumer will be responsible for any person tampering with, interfering with, or breaking the seals or meters or other equipment of the Power Company installed at the Premises. The Consumer hereby agrees that no one except the employees of or persons duly authorized by the Power Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of the Power Company. The Consumer shall provide the Power Company reasonable access at all times to the Power Company's meters and other facilities of the Power Company located on the Premises.

11. Metering equipment used in determining the demand and amount of electric power and energy supplied hereunder shall be tested and calibrated, if required, by the Power Company. If any metering equipment shall be found inaccurate, it shall be restored to the extent possible to a 100.0% accurate condition; or new metering equipment to the extent necessary shall be substituted so that, as far as possible, 100.0% accuracy shall always be maintained. The Consumer shall have the right to request that a special meter test be made at any time. In the event a test made at the Consumer's request discloses that the meter tested is registering correctly, or within two percent (2%) above or below 100.0% accuracy at full load, Consumer shall bear the expense of such meter test.

The results of all such tests and calibrations shall be open to examination by the Consumer and a report of every requested test shall be furnished to the Consumer. Any meter tested and found to be not more than two percent (2%) above or below 100.0% accuracy at full load, shall be considered to be accurate in so far as correction of billing is concerned. If as a result of any test, any meter is found to register in excess of two percent (2%) above or below 100.0% accuracy at full load, then the readings of such meter previously taken for billing purposes shall be corrected according to the percentage of inaccuracy so found, but no such correction shall extend beyond the last regular monthly billing period occurring prior to the day on which inaccuracy is discovered by such test, and no correction shall be made for a

longer period than that during which it may be determined by mutual agreement of the parties involved that the inaccuracy existed. The Power Company will bear the cost of the meter test if any meter is found to register in excess of two percent (2%) above or below 100.0% accuracy at full load.

For any period that metering equipment is found to have failed wholly, or in part, to register and for which no alternate metering is available, it shall be assumed that the demand established, or electric energy delivered, as the case may be, during said period is the same as that for a period of like operation during which such meter was in service and operating.

12. Duly authorized representatives of the Power Company shall be permitted to enter the Premises at all reasonable times in order to carry out the provisions hereof.

13. This Agreement shall begin on the date first written above and shall continue until the ten year anniversary of the Commencement Date (as defined in the Agreement for Purchase of Power and Energy from Qualifying Facility) unless extended, terminated or cancelled.

Commencing with the tenth (10<sup>th</sup>) anniversary of the Commencement Date, this Agreement shall automatically renew for successive periods of one (1) year each, unless either party provides notice of termination at least 90 days prior to the end of the initial term or any one year extension of the initial term, in which case the Agreement shall terminate at the end of the then current term. Power Company may terminate this Agreement at any time upon material breach by Consumer of its obligations under this Agreement. This Agreement shall automatically terminate upon the termination of the Agreement for Interconnection and Parallel Operation or the Agreement for Purchase of Power and Energy from Qualifying Facility.

14. (a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns; provided, however, this Agreement shall not be assigned by the Consumer without the prior written consent of the Power Company, any such assignment by the Consumer being null and void without such consent.

(b) This Agreement shall not be effective unless approved in writing by all governmental agencies from which approval is required.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, except for any conflicts of laws provisions.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SECTION P**

**AGREEMENT TO PURCHASE POWER AND ENERGY FROM  
NON-RESIDENTIAL QUALIFYING COGENERATION OR  
SMALL POWER PRODUCTION FACILITIES GREATER THAN  
100 KW**

**OR RESIDENTIAL QUALIFYING COGENERATION OR  
SMALL POWER PRODUCTION FACILITIES GREATER THAN  
25 KW**

**AGREEMENT TO PURCHASE POWER AND ENERGY FROM  
[OPERATOR],  
OPERATOR OF A [SOURCE] ELECTRIC GENERATION FACILITY  
AT [LOCATION]**

This Agreement (“Agreement”) dated as of \_\_\_\_\_, 20\_, by and between Buckeye Power, Inc., an Ohio nonprofit corporation (“Buckeye”), and [OPERATOR], a [FORM]. (the “Operator”) together with Buckeye, individually, a “Party”, and, collectively, the “Parties”;

**WITNESSETH:**

WHEREAS, the Operator has installed or will install on the Premises certain [SOURCE] electric generating facilities of approximately [CAPACITY] kW in the aggregate, which electric generating facilities the Operator shall own and which are more particularly described in Exhibit E to the Agreement for Interconnection and Parallel Operation; and

WHEREAS, the Facility is a self-certified qualifying cogeneration or small power production facility under PURPA; and

WHEREAS, the Operator desires to interconnect the Facility to [DISTRIBUTION COOPERATIVE’S] (the “Power Company’s”) electric distribution system and [use the output of the Facility to first meet the requirements of the Operator’s electric consuming facilities located on the Premises and then sell to Buckeye any such output in excess of the requirements of the Operator’s electric consuming facilities] **[OR]** [sell the net electrical output of the Facility, i.e. the output of the Facility in excess of that required to operate the Facility and prepare the \_\_\_\_\_ as fuel for the Facility, to Buckeye]; and

WHEREAS, [the Operator and Power Company are parties to an Agreement for Back-Up and Supplementary Electric Service of even date herewith (“Agreement for Back-Up and Supplementary Electric Service”) relating to the supply by the Power Company of electric power and energy to the Operator’s electric consuming facilities located on the Premises and not served by the Facility] **[OR]** [the requirements of the Operator’s electric consuming facilities located on the Premises, other than that power and energy produced by the Facility and required in connection with the operation of the Facility and the preparation of \_\_\_\_\_ as fuel for the Facility, will be served by the Power Company pursuant to an Agreement for Electric Service between the Power Company and the Operator of even date herewith (the “Agreement for Electric Service”)]; and

WHEREAS the Operator and the Power Company are parties to an Agreement for Interconnection and Parallel Operation of even date herewith (“Agreement for Interconnection and Parallel Operation”) relating to the interconnection and parallel operation of the Facility with the Power Company’s electric distribution system; and

WHEREAS, the Operator desires to sell, and Buckeye desires to purchase, the Net Electrical Output of the Facility under the terms and conditions hereinafter set forth in this Agreement;

NOW, THEREFORE, in consideration of these premises and of the mutual covenants, representations, warranties and agreements hereinafter set forth, and intending to be legally bound hereby, the Parties agree as follows:

### **ARTICLE I: Definitions**

Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Agreement for [Back-Up and Supplementary] Electric Service or the Agreement for Interconnection and Parallel Operation, as appropriate. Whenever the following terms appear in this Agreement, whether in the singular or in the plural, they shall have the applicable meanings stated below:

1.1 “Available Capacity” means that portion of the Facility’s Dependable Capacity designated by Operator and made available to Buckeye during a Scheduled Outage.

1.2 “Avoided Cost Capacity Purchase Price” means the price per kilowatt per month Buckeye will pay Operator for Dependable Capacity of the Facility as delivered from the Facility to Buckeye, in accordance with Section 10.3, based on the cost of capacity that Buckeye must procure to serve the load of its members that is avoided based on the availability of Dependable Capacity of the Facility for the term of this Agreement, as determined by Buckeye in its reasonable discretion as of the date of this Agreement.

1.3 “Avoided Cost Energy Purchase Price” means the price per kilowatt-hour Buckeye will pay Operator for Net Electrical Output delivered to Buckeye in accordance with Section 10.1, based on the cost of energy that Buckeye must procure to serve the load of its members that is avoided based on the availability of Net Electrical Output of the Facility during any hour during the term of this Agreement, as determined by Buckeye in its reasonable discretion.

1.4 “Behind-the-Meter (BTM) Benefits Purchase Price” means the price per kilowatt per month Buckeye will pay Operator for Dependable Capacity of the Facility as delivered from the Facility to Buckeye, in accordance with Section 10.3, based on those demand-related costs that Buckeye avoids because the Facility is located behind the transmission meter used to measure Buckeye’s load obligation in PJM Interconnection, LLC (“PJM”). BTM benefits shall not be available, and the demand-related costs that Buckeye avoids shall be zero (\$0), if and to the extent that the output of the Facility exceeds Buckeye’s load located behind the transmission meter, including, but limited to, as a result of changes, if any, after the date of this Agreement by the Power Company to its electric distribution system or location of its transmission meter. BTM benefits also shall not be available, and the demand-related costs that Buckeye avoids shall be zero (\$0), if and to the extent that PJM reduces or eliminates the ability of BTM generation to reduce Buckeye’s load obligation. The BTM Benefits Purchase Price includes both the PJM

Capacity Purchase Price and the Transmission Demand Purchase Price. The PJM Capacity Purchase Price may be different from the Transmission Demand Purchase Price.

1.5 “Business Day” means Monday through Friday excluding holidays recognized by Buckeye. Such holidays may be changed by Buckeye upon ten (10) Days written notice to Operator.

1.6 “Calendar Day or Day” a Calendar Day shall be the 24-hour period beginning and ending at 12:00 midnight. The terms Day and Calendar Day may be used interchangeably and shall have the same definition.

1.7 “Calendar Month or Month” a Calendar Month shall begin at 12:00 midnight on the last Day of the preceding month and end at 12:00 midnight on the last Day of the current Month. The terms Month and Calendar Month may be used interchangeably and shall have the same definition.

1.8 “Calendar Year or Year” a Calendar Year shall be the 12-Month period beginning at 12:00 midnight on December 31 and ending at 12:00 midnight on the subsequent December 31. The terms Year and Calendar Year may be used interchangeably and shall have the same definition.

1.9 “Capacity Purchase Price” means the price per kilowatt per month Buckeye will pay Operator for Dependable Capacity of the Facility as delivered from the Facility to Buckeye, in accordance with Section 10.3. The Capacity Purchase Price includes both the PJM Capacity Purchase Price and the Transmission Capacity Purchase Price. The PJM Capacity Purchase Price may be different from the Transmission Capacity Purchase Price.

1.10 “Capacity Test Period” means, except for the Initial Capacity Test Period, the annual period used by PJM for purposes of determining annual capacity charges and transmission capacity charges, as applicable (the annual period used by PJM for purposes of determining annual capacity charges shall be used to determine the PJM Dependable Capacity and may be different from the annual period used by PJM for purposes of determining transmission capacity charges, which shall be used to determine the Transmission Dependable Capacity). Capacity Test Period includes the Initial Capacity Test Period.

1.11 “Commencement Date” means the first date upon which (a) energy is generated by the Facility; (b) such energy is metered by the Buckeye-owned metering equipment; and (c) the Operator has complied with, or Buckeye has waived, all conditions precedent to Buckeye’s obligation to purchase capacity and energy under this Agreement, including compliance with the conditions precedent set forth in Section 2.4.

1.12 “Dependable Capacity” means the amount of electric generating capacity that the Facility is capable of producing (measured in kW) as determined pursuant to Article XI; provided, however, that the Dependable Capacity of the Facility shall not exceed [CAPACITY] kW except by mutual agreement of the Parties. The Dependable Capacity includes both the PJM

Dependable Capacity and the Transmission Dependable Capacity. The PJM Dependable Capacity may be different from the Transmission Dependable Capacity.

1.13 “Design Limits” means the Facility can change load at the rate of \_\_\_\_\_kW per minute over a continuous range down to a minimum of zero (0) kW. Frequency tolerance is  $\pm$  \_\_\_\_\_hertz. Voltage tolerance, without reactive power restrictions, is  $\pm$  \_\_\_\_\_%.

1.14 “Dispatch” means the right of Operator to schedule and control, directly or indirectly, manually or automatically, the Facility within its Design Limits to a Dispatch Level.

1.15 “Dispatch Level” means either (a) the Facility’s Dependable Capacity, (b) Available Capacity, or (c) the Dispatch specified by Buckeye during an Emergency, Low Load Period, or pursuant to Section 7.4(a).

1.16 “Emergency” means a condition or situation which in the sole judgment of either Buckeye or NERC affects or will affect Buckeye’s or the Power Company’s ability to meet their obligations to maintain safe, adequate and continuous electric service to Buckeye’s or the Power Company’s customers and/or the customers of any member of NERC.

1.17 “Energy Purchase Price” means the price per kilowatt-hour Buckeye will pay Operator for Net Electrical Output delivered to Buckeye in accordance with Section 10.1.

1.18 “Environmental Attributes” means the renewable attributes, including any emission reduction credits or emission allowances, of the Net Electrical Output and/or Dependable Capacity of the Facility during the Term of this Agreement [, subject to the representations, warranties, covenants and agreements of the Operator set forth in Section 6.6 of this Agreement]. Environmental Attributes do not include Section 45 tax credits as defined by the Internal Revenue Code. Environmental Attributes include any credits, allowances, or other benefits associated with any avoided emissions of substances, including greenhouse gases and other pollutants, to air, soil or water, resulting from the displacement of electricity generated from non-renewable resources due to the generation of electricity from the Facility.

[1.19 “Environmental Attributes Purchase Price” means the price per kilowatt-hour Buckeye will pay Operator for the Environmental Attributes of the Facility delivered to Buckeye in accordance with Section 10.2.]

1.20 “FERC” means the Federal Energy Regulatory Commission or any successor thereto.

1.21 “Facility” means Operator’s Qualifying Facility, including auxiliary equipment and equipment installed on Operator’s side of the Interconnection Point that is not Interconnection and Metering Facilities. The Facility is more particularly described in Exhibit E to the Agreement for Interconnection and Parallel Operation.

1.22 “Force Majeure” shall have the meaning set forth in Section 14.1.

1.23 “Forced Outage” means an unplanned or uncontrolled event that causes a reduction or cessation in Net Electrical Output below 95% of the Dispatch Level.

1.24 “Initial Capacity Test Period” means the period commencing on the Commencement Date and ending on the last Day of October following the first full Summer Season completed after the Commencement Date.

1.25 “Interconnection and Metering Facilities” means all of the interconnection facilities and metering equipment as described in the Agreement for Interconnection and Parallel Operation.

1.26 “Interconnection Point” means the physical point(s) where the Facility and the electric distribution system of the Power Company are connected as more fully described in the Agreement for Interconnection and Parallel Operation.

1.27 “Interest” means the compensation for the accrual of monetary obligations under this Agreement computed monthly and prorated daily from the time each such obligation arises based on an annual interest rate equal to the Prime Rate plus two (2) percent. For purposes hereof, Prime Rate shall mean the rate of interest from time to time published in the “Money Rates” section of the Wall Street Journal as the prime rate, determined for each obligation to pay interest, at the time such obligation arises.

1.28 “Low Load Period” means periods of time when Buckeye, at its sole discretion, determines that the demand for energy on the Power Company’s electric distribution system is so low that Buckeye must Dispatch the Facility to a reduced level or off-line in order to (a) maintain the safety and reliability of the Power Company’s electric distribution system or any electric system to which the Power Company’s electric distribution system is directly or indirectly connected; and/or (b) prevent the export of Net Electrical Output from the Facility on to the transmission system to which the Power Company’s electric distribution system is directly or indirectly connected.

1.29 “NERC” means the North American Electric Reliability Corporation, including any successor thereto and subdivisions thereof.

1.30 “Net Electrical Output” means the Facility’s electrical generating output [in excess of the requirements of the Operator’s electric consuming facilities located on the Premises] [OR] [in excess of that energy required in connection with the operation of the Facility and the preparation of \_\_\_\_\_ as fuel for the Facility] (measured in MWhs by Buckeye-owned Telemetry Facilities), determined on an hourly basis, when and if available at the Power Company’s side of the Interconnection Point.

1.31 “PJM Capacity Purchase Price” has the meaning assigned to such term in Section 10.3(b).

1.32 “PJM Dependable Capacity” has the meaning assigned to such term in Section 11.2.

1.33 “Premises” means \_\_\_\_\_, Power Company Location No. \_\_\_\_\_ on which the \_\_\_\_\_ and the Facility are located.

1.34 “Prudent Electrical Practices” means the practices, methods and use of equipment required to protect Buckeye’s and the Power Company’s systems, employees, agents, and customers from malfunctions occurring at the Facility and to protect the Facility, and Operator’s employees and agents at the Facility, from malfunctions occurring on Buckeye’s or the Power Company’s systems or on any other electric utility with which Buckeye or the Power Company is directly or indirectly electrically connected.

1.35 “Prudent Utility Practices” means those practices, methods and acts that would be implemented and followed by prudent operators of electric energy generating facilities similar to Operator’s Facility and located in the regions served by Buckeye and the Power Company, during the relevant time period, which practices, methods and acts, in the exercise of prudent and responsible professional judgment in light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result consistent with good business practices, reliability and safety.

1.36 “PURPA” means the Public Utility Regulatory Policies Act of 1978, as amended, and all governmental regulations lawfully promulgated thereunder.

1.37 “Qualifying Facility” or “QF” means a cogeneration facility or a small power production facility which is a Qualifying Facility under PURPA.

1.38 “Scheduled Outage” means a planned cessation or reduction of the Net Electrical Output below the Dependable Capacity of the Facility that (a) has been submitted in advance to Buckeye and the Power Company, and (b) is required for inspection, preventive maintenance and corrective maintenance.

1.39 “Summer Season” means the Months of June, July, August and September.

1.40 “Telemetry Facilities” means all the telemetry equipment necessary for Buckeye to measure the Net Electrical Output and Dependable Capacity of the Facility, wherever located.

1.41 “Term” means the initial Term of this Agreement as specified in Section 5.1 plus any renewal Term determined pursuant to Section 5.2.

1.42 “Transmission Demand Purchase Price” has the meaning assigned to such term in Section 10.3(b).

1.43 “Transmission Dependable Capacity” has the meaning assigned to such term in Section 11.2.

## **ARTICLE II: Sale and Purchase of Energy[, Environmental Attributes.] and Capacity**

2.1 Subject to the terms and conditions of this Agreement, Operator agrees to sell, and Buckeye agrees to purchase, the Net Electrical Output of the Facility during the Term at the Power Company's side of the Interconnection Point.

2.2 Subject to the terms and conditions of this Agreement, [Operator agrees to sell, and Buckeye agrees to purchase,] **[OR]** [Operator shall be entitled to] the Environmental Attributes of the Facility during the Term. [Buckeye] **[OR]** [Operator] shall have the sole and exclusive right to designate the Facility as a renewable resource during the Term to satisfy any federal, state or local renewable energy requirement, renewable energy procurement requirement, renewable energy portfolio standard, or other renewable energy mandate [, and Operator shall reasonably cooperate with Buckeye in connection with any such designation].

2.3 Subject to the terms and conditions of this Agreement, Operator agrees to sell, and Buckeye agrees to purchase, Dependable Capacity from the Facility during the Term.

2.4 Notwithstanding anything in this Agreement to the contrary, and without limiting any other obligations of Operator in this Agreement, Buckeye's obligation to purchase Net Electrical Output[, Environmental Attributes] and Dependable Capacity from Operator at the rates specified in Article X is contingent upon Operator's submittal to Buckeye of all the following:

(a) Evidence satisfactory to Buckeye that the Operator is and will be (unless Operator assigns the Agreement to a third party pursuant to Article XVII hereof) the owner or lessee of the Facility during the Term of this Agreement and/or that Operator has the right to operate and control and obtain the output of the Facility during the Term of this Agreement. If Operator assigns the Agreement to a third party pursuant to Article XVII hereof, Operator must submit evidence satisfactory to Buckeye that the assignee is and will be the owner or lessee of the Facility during the Term of this Agreement and/or that the assignee has the right to operate and control the output of the Facility during the Term of this Agreement.

(b) A copy of the feasibility study regarding the Facility as prepared by a consultant nationally recognized as an expert in the preparation of such studies, or copies of such other documents as may be agreed to by Buckeye, which for the purpose of this Agreement demonstrates to the satisfaction of Buckeye that the Facility, if operated and maintained in accordance with Prudent Electrical Practices and Prudent Utility Practices, can be reasonably expected to have a useful life at least equal to the Term.

(c) A copy of the certificate of a mutually acceptable independent engineering firm stating that the Facility has been constructed in compliance with the terms of this Agreement and the information submitted pursuant to Section 2.4(b).

(d) A copy of the Qualifying Facility self-certification, including the Qualifying Facility identification number.

(e) Certificates of insurance coverages or insurance policies required by Article XII.

(f) Copies of all permits, licenses and approvals required under Section 4.1.

(g) Payment for Telemetering Facilities as described in Section 8.5, and evidence of payment for the Power Company's Interconnection and Metering Facilities as described in the Agreement for Interconnection and Parallel Operation. [Evidence of payment for \_\_\_\_\_'s ("\_\_\_") and \_\_\_\_\_'s ("\_\_\_") system upgrades as described in the Agreement for Interconnection and Parallel Operation.]

(h) All documents required pursuant to Section 4.2.

(i) The licenses and grants of other access rights to be provided by Operator to Buckeye pursuant to Section 8.5 and evidence of the licenses and grants of other access rights to be provided by Operator to the Power Company pursuant to the Agreement for Interconnection and Parallel Operation.

(j) Copies of the fully executed and delivered Agreement for Interconnection and Parallel Operation, and Agreement for [Back-Up and Supplementary] Electric Service, with the Power Company; [the fully executed and delivered Declaration of Authority, with Buckeye]; [ and the fully executed and delivered Wholesale Market Participation Agreement, with \_\_\_\_\_ and \_\_\_\_\_].

### **ARTICLE III: Notices**

3.1 Any notice or communication required to be in writing hereunder shall be given by any of the following means: registered, certified, or first class mail, telex, telecopy, by hand, or telegram. Such notice or communication shall be sent to the respective Parties at the address listed below. Except as expressly provided herein, any notice shall be deemed to have been given when sent. Any notice given by first class mail shall be considered sent at the time of posting. Communications by telex, telecopy, or telegram shall be confirmed by depositing a copy of the same in the post office for transmission by registered, certified or first class mail in an envelope properly addressed as follows:

In the case of Operator to:

[OPERATOR]

[ADDRESS]

[ADDRESS]

Tel.

Fax.

In the case of Buckeye to:

Buckeye Power, Inc.

6677 Busch Boulevard  
Columbus, Ohio 43229  
Tel. (614) 846-5757  
Fax. (614) 846-7108

3.2 Either Party may, by written notice to the other, change the representative or the address to which such notices and communications are to be sent.

#### **ARTICLE IV: Pre-Operation Period**

4.1 Operator shall, at its expense, acquire, and maintain in effect, from the FERC and from any and all other federal, state and local agencies, commissions and authorities with jurisdiction over Operator and/or the Facility, all permits, licenses, and approvals, and complete or have completed all environmental impact studies necessary (a) for the construction, operation and maintenance of the Facility, (b) for Operator to perform its obligations under this Agreement, and (c) to obtain or maintain self-certification as a Qualifying Facility.

4.2 Within 60 days of the execution of this Agreement, Operator shall submit for Buckeye's and the Power Company's review its construction, start-up and testing schedules for the Facility. Operator shall thereafter submit periodic progress reports at such times and in such form as are reasonably satisfactory to Buckeye and the Power Company until the Commencement Date and notify Buckeye of any changes to such schedules in a timely manner. Buckeye and the Power Company shall have the right to monitor the construction, start-up and testing of the Facility, and Operator shall cooperate with Buckeye and the Power Company to ensure that the Facility's power generation equipment and switchgear are designed and installed so that the Facility can safely and successfully operate in parallel with the Power Company's system. Operator shall cooperate in such physical inspections of the Facility as may be reasonably required by Buckeye and the Power Company during and after completion of construction. Buckeye's and the Power Company's technical review and inspection of the Facility shall not be deemed as endorsing the design thereof nor as any warranty of the safety, durability or reliability of the Facility.

4.3 Operator, Buckeye and the Power Company shall endeavor to prepare a written operations procedure no later than sixty (60) Days prior to the Commencement Date. Such procedure shall include, without limitation, specific details of who is responsible for each area of operation of the Facility and the Interconnection and Metering Facilities.

4.4 Buckeye shall prepare and submit to Operator a written voltage schedule consistent with the Design Limits of the Facility no later than thirty (30) Days prior to the Commencement Date, except that Buckeye may change such voltage schedule within the Design Limits of the Facility and the recommendations of the manufacturer of the Facility as provided by Operator to Buckeye upon thirty (30) Days prior written notice. Operator shall use such voltage schedule in the operation of its Facility. This voltage schedule shall be based on the normally expected operating conditions for the Facility and the reactive power requirements of the Power Company's system.

4.5 Operator shall notify Buckeye and the Power Company of the Commencement Date in writing no less than two (2) weeks prior to that date. Buckeye, Operator and the Power Company shall cooperate in scheduling the Commencement Date, and Buckeye and the Power Company shall have the right to have representatives present at such time. Buckeye reserves the right to delay the Commencement Date due to problems with the Facility which could have a material adverse effect on Buckeye's or the Power Company's operations. In such event, Buckeye shall give Operator notice of such problems and Operator shall remedy any such problems with facilities or equipment which Operator installed or maintains and the delayed Commencement Date shall be memorialized in a written notice issued by Operator to Buckeye and the Power Company after all such problems have been remedied by Operator and not less than two (2) weeks prior to the delayed Commencement Date.

#### **ARTICLE V: Term and Termination**

5.1 The Term of this Agreement shall begin on the date first written above and shall continue until the tenth (10<sup>th</sup>) anniversary of the Commencement Date unless extended under this Article V, terminated, or canceled pursuant to this Agreement. If the Term is extended under this Article V, the word "Term" shall thereafter be deemed to mean the original Term so extended.

5.2 Commencing with the tenth (10<sup>th</sup>) anniversary date of the Commencement Date, this Agreement shall automatically renew for successive periods of one (1) year each, unless either Party provides notice of termination at least ninety (90) days prior to the end of the initial term or any one year extension of the initial term, in which case the Agreement shall terminate at the end of the then current Term.

5.3 If either Party defaults under this Agreement, then the defaulting Party shall be given sixty (60) Days from the receipt of written notice from the non-defaulting Party stating that such a default exists to cure such default, provided that if the default cannot be cured within sixty (60) Days with the exercise of reasonable diligence, the non-defaulting party shall grant an additional period of one hundred twenty (120) Days in which to cure such default. If the defaulting Party fails to cure such default within such prescribed period, then the non-defaulting Party may, in addition to any other rights or remedies available at law or in equity, immediately terminate this Agreement and consider defaulting Party in material breach of its obligations under this Agreement. Conditions which shall be considered defaults by Operator under this Section 5.3 include without limitation:

(a) Abandonment of construction or operation of the Facility at any time, or failure to reach the Commencement Date within 30 months after the date of this Agreement unless excused by Force Majeure as specified in Article XIV, or failure of the Facility to produce Net Electrical Output during any period of six consecutive months during the Term of this Agreement; or

(b) Attempts by Operator, its employees, contractors or subcontractors of any tier, to operate, maintain, or tamper with the Power Company's Interconnection and Metering Facilities or Buckeye's Telemetering Facilities without the prior written consent of Buckeye or

the Power Company, as applicable, except, however, where (i) such actions by Operator are performed solely to prevent immediate injury or death to persons or damage to property, and (ii) Operator uses its best efforts to notify Buckeye or the Power Company, as applicable, of the need for such actions in advance. The foregoing shall not be construed as relieving Operator from any other obligations under this Agreement or liabilities resulting from such actions; or

(c) Material breach by Operator of its obligations under this Agreement, the Agreement for Interconnection and Parallel Operation, or the Agreement for [Back-Up and Supplementary] Electric Service.

5.4 Buckeye may terminate this Agreement if Operator shall: (a) admit in writing its inability to pay its debts as such debts become due; (b) make a general assignment or an arrangement or composition with or for the benefit of its creditors; (c) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against Operator under any bankruptcy or similar law; (d) take any action for the purpose of effecting any of the foregoing, and shall fail to cure any of the actions or failures within sixty (60) days.

5.5 Buckeye may terminate this Agreement if a proceeding or case shall be commenced, without the application or consent of Operator, in any court of competent jurisdiction, seeking (a) its liquidation, reorganization of its debts, its dissolution or winding-up, or the composition or readjustment of its debts, (b) the appointment of a receiver, custodian, liquidator or the like of Operator or of all or any substantial part of its assets, or (c) similar relief in respect of Operator under any law relating to bankruptcy, insolvency, reorganization of its debts, winding-up, composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of sixty (60) days.

5.6 This Agreement shall automatically terminate upon the termination of the Agreement for Interconnection and Parallel Operation or the Agreement for Electric Service.

5.7 If Operator abandons the construction or operation of the Facility at any time, and such abandonment is not excused by Force Majeure, Operator shall reimburse Buckeye and Power Company for all actual costs, including any applicable taxes, associated with Buckeye's and Power Company's construction of Interconnection and Metering Facilities and Telemetering Facilities.

5.8 In addition to the right to terminate this Agreement in the event of a default, the non-defaulting Party shall be entitled to direct, actual damages incurred as a result of the defaulting Party's default.

5.9 Operator may, in its discretion, and by written notice to Buckeye, elect to terminate this Agreement in the event that the BTM Benefits Purchase Price is reduced by Buckeye to zero (\$0) or is significantly reduced by Buckeye below the BTM Benefits Purchase Price in effect as of the date of this Agreement, and/or if Buckeye directs Operator pursuant to Section 7.4(b) to significantly reduce the Net Electrical Output of the Facility or to take the Facility off-line as a result of a Low Load Period. In the event of such a termination, neither

Party shall have any further liability to the other Party under this Agreement except for liabilities incurred prior to the date of termination.

## **ARTICLE VI: Representation and Warranties**

6.1 Operator warrants that the Facility will be operated and maintained in accordance with Prudent Electrical Practices and Prudent Utility Practices, including without limitation, synchronizing, voltage and reactive power control.

6.2 Operator warrants that the Facility will be operated in such a manner so as not to have an adverse effect on Buckeye's or the Power Company's voltage level or voltage waveform.

6.3 Operator warrants that the Facility will be operated at the voltage levels determined pursuant to Section 4.4 provided such levels are within the Design Limits of the Facility.

6.4 Each Party shall, at all times, conform to all applicable laws, ordinances, rules and regulations applicable to it. Each Party shall give all required notices, shall procure and maintain all governmental permits, licenses and inspections necessary for its performance of this Agreement, and shall pay all charges and fees in connection therewith.

6.5 (a) Any fines or other penalties incurred by Operator or its agents, employees or subcontractors for noncompliance by Operator, its employees, or subcontractors with laws, rules, regulations or ordinances shall not be reimbursed by Buckeye but shall be the sole responsibility of Operator. If fines, penalties or legal costs are assessed against Buckeye by any government agency or court due to noncompliance by Operator with any of the laws, rules, regulations or ordinances referred to in Section 6.4 above or any other laws, rules, regulations or ordinances with which compliance is required herein, or if the work of Operator or any part thereof is delayed or stopped by order of any government agency or court due to Operator's noncompliance with any such laws, rules, regulations or ordinances, Operator shall indemnify and hold harmless Buckeye against any and all losses, liabilities, damages, and claims suffered or incurred because of the failure of Operator to comply therewith. Operator shall also reimburse Buckeye for any and all legal or other expenses (including attorneys' fees) reasonably incurred by Buckeye in connection with such losses, liabilities, damages or claims.

(b) Any fines or other penalties incurred by Buckeye or its agents, employees or subcontractors for noncompliance by Buckeye with laws, rules, regulations or ordinances shall not be reimbursed by Operator but shall be the sole responsibility of Buckeye. If fines, penalties or legal costs are assessed against Operator by any government agency or court due to noncompliance by Buckeye with any of the laws, rules, regulations or ordinances referred to in Section 6.4 above or any other laws, rules, regulations or ordinances with which compliance is required herein, or if the work of Buckeye or any part thereof is delayed or stopped by order of any government agency or court due to Buckeye's noncompliance with any such laws, rules, regulations or ordinances, Buckeye shall indemnify and hold harmless Operator against any and all losses, liabilities, damages, and claims suffered or incurred because of the failure of Buckeye

to comply therewith. Buckeye shall also reimburse Operator for any and all legal or other expenses (including attorneys' fees) reasonably incurred by Operator in connection with such losses, liabilities, damages or claims.

6.6 The Operator represents and warrants to Buckeye that:

(a) the Facility is a self-certified qualifying cogeneration or small power production facility under PURPA.

(b) the Operator is lessee or owner of the Facility.

(c) the Facility is located on the Operator's Premises.

(d) the output of the Facility will be used solely to serve the Operator's electric consuming facilities located on the Premises or sold to Buckeye.

(e) The Facility's Energy Information Administration or Qualifying Facility identification number is \_\_\_\_\_.

(f) The fuel type used by the Facility to produce electric power and energy is \_\_\_\_\_.

**[Insert (g) through (m) below if Buckeye is purchasing the Environmental Attributes]**

[(g) To the best of Operator's knowledge, the Environmental Attributes of the Facility during the Term have not been sold, marketed or otherwise claimed by a third party.

(h) Operator has not and will not sell or deliver the Environmental Attributes of the Facility during the Term to any person or entity other than Buckeye.

(i) The Environmental Attributes of the Facility during the Term have not been and will not be used by Operator, nor to the best knowledge of the Operator by any other person or entity, to meet any federal, state or local renewable energy requirement, renewable energy procurement requirement, renewable energy portfolio standard, or other renewable energy mandate.

(j) The Environmental Attributes produced at the Facility during the Term will be produced from the Net Electrical Output.

(k) Operator has not and will not use any emission allowances associated with the Environmental Attributes of the Facility during the Term for compliance with any applicable cap and trade or other emission control system or program.

(l) If required, applicable regulatory authorities have been notified of the intent of the Operator to sell the Environmental Attributes of the Facility during the Term, and Operator has

also agreed to report the revenue associated with such sales to applicable regulatory authorities. Appropriate documentation of this notification is attached to this Agreement.

(m) To the best knowledge of the Operator, no notification to any local environmental authority is required for Operator to sell the Environmental Attributes of the Facility during the Term.]

#### **ARTICLE VII: Control and Operation of the Facility; Dispatching**

7.1 Operator shall, not more than sixty (60) Days following the Commencement Date, submit a written operation and maintenance schedule for the first year of the Facility's operations. Thereafter, Operator shall submit to Buckeye, in writing, by October 1st of each Year, its Scheduled Outage periods and operating plan for the next Calendar Year. Buckeye shall accept the Operator's Scheduled Outage periods and operating plan provided that Operator shall not plan Scheduled Outages of the Facility during the Summer Season without the consent of Buckeye. Upon at least two weeks notice to Buckeye, Operator may request Buckeye's approval to change any Scheduled Outage period, or to schedule a Scheduled Outage during the Summer Season, and Buckeye shall not unreasonably withhold such approval.

7.2 Buckeye shall have the right, upon six (6) months prior written notice, to revise the Months during which Operator shall not, unless mutually agreed, schedule a maintenance shutdown.

7.3 Each Party shall keep complete and accurate records and all other data required by each of them for the purposes of proper administration of this Agreement.

(a) All such records shall be maintained for a minimum of five (5) Years after the creation of such record or data and for any additional length of time required by regulatory agencies with jurisdiction over the Parties. Operator shall not dispose of or destroy any such records even after the five (5) years without prior notice to Buckeye.

(b) Operator shall maintain an accurate and up-to-date operating log for the Facility with records of: real and reactive power production for each clock hour, changes in operating status, Scheduled Outages and Forced Outages and any unusual conditions found during inspections.

(c) Either Party shall have the right from time to time, upon fourteen (14) Days written notice to the other Party to examine the records and data of the other Party relating to this Agreement any time during the period the records are required to be maintained.

7.4 Subject to Section 7.11, Operator shall control and operate the Facility, provided that Operator agrees to Dispatch the Facility to any level indicated by Buckeye, including off-line, during the periods specified in subsections (a) and (b) below:

(a) If it is necessary to modify the Dispatch Level in Buckeye's sole discretion in order to construct, install, maintain, repair, replace, remove, investigate, inspect or

test any part of the Facility or the Interconnection and Metering Facilities, or any other affected part of Buckeye's or the Power Company's system. Buckeye shall provide Operator with at least forty-eight (48) hours prior notice for any Dispatch associated with this Section 7.4(a). Any reduction required of Operator, or work to be performed by Buckeye, hereunder shall be implemented and completed as soon as possible consistent with Prudent Utility Practices.

(b) A Low Load Period or an Emergency exists.

7.5 If the Facility is requested to be Dispatched pursuant to Section 7.4, then Operator shall cause the Facility to respond to such Dispatch in a manner consistent with safe operating practices and within its Design Limits.

7.6 Operator shall employ qualified personnel for monitoring the Facility and for coordinating operations of the Facility with Buckeye's and the Power Company's system.

7.7 The Parties recognize that Buckeye is a member of NERC and that, to ensure continuous and reliable electric service, Buckeye operates its system in accordance with the operating criteria and guidelines of NERC. If an Emergency is declared, Buckeye will notify Operator's personnel and, if requested by Buckeye, Operator's personnel shall place the Net Electrical Output within the exclusive control of Buckeye for the duration of such Emergency. Without limiting the generality of the foregoing, Buckeye may require Operator's personnel to raise or lower production of Net Electrical Output generated by the Facility to maintain safe and reliable load levels and voltages on the Power Company's distribution system; provided, however, any changes in the level of the Net Electrical Output required of Operator hereunder shall be implemented in a manner consistent with safe operating procedures and within the Facility's Design Limits.

7.8 Operator shall cooperate with Buckeye in establishing Emergency plans, including without limitation, recovery from a local or widespread electrical blackout; voltage reduction in order to effect load curtailment; and other plans which may arise. The Operator shall make technical references available concerning start-up times, black-start capabilities and minimum load-carrying ability.

7.9 Operator shall, during an Emergency supply such Net Electrical Output as the Facility is able to generate and Buckeye is able to receive. If Operator has a Scheduled Outage, and such Scheduled Outage occurs or would occur coincident with an Emergency, Operator shall make all good faith efforts to reschedule the outage or, if the outage has begun, expedite the completion thereof.

7.10 Operator shall operate the Facility with its speed governors and voltage regulators in-service whenever the Facility is connected to or operated in parallel with the Power Company distribution system.

7.11 Whenever Operator Dispatches the Facility, the Facility may not deliver Net Electrical Output in excess of [CAPACITY] kW without the consent of Buckeye.

7.12 If the Facility is disconnected from the Power Company distribution system for any reason, including, but not limited to, by the Power Company under the Agreement for Interconnection and Parallel Operation, then Buckeye shall have no obligation to purchase the Facility output for so long as the Facility remains disconnected from the Power Company distribution system. Once the Facility is reconnected to the Power Company distribution system, Buckeye's purchase obligation shall be reinstated in accordance with the terms and conditions of this Agreement.

### **ARTICLE VIII: Interconnection and Telemetering Facilities**

8.1 Operator shall be responsible for the design, construction, installation, operation, maintenance and ownership of the Facility and Operator's Interconnection and Metering Facilities under the Agreement for Interconnection and Parallel Operation.

8.2 Buckeye shall be responsible for the design, construction, installation, operation, maintenance and ownership of the Telemetering Facilities, except that Buckeye shall coordinate with Operator the design, construction, installation, operation and maintenance of any Telemetering Facilities installed on Operator's property.

8.3 Power Company shall be responsible for the design, construction, installation, operation, maintenance and ownership of its Interconnection and Metering Facilities under the Agreement for Interconnection and Parallel Operation.

8.4 Within sixty (60) Days of the execution of this Agreement, Operator shall provide to Buckeye (1) a functional one-line diagram of the Facility showing at least the generator(s), protective relay functions, step-up transformers and circuit breakers that they propose to install on Operator's side of the Interconnection Point and (2) a site plat showing the exact location of the proposed site.

8.5 The Operator shall reimburse Buckeye for the cost of the Telemetering Facilities installed by Buckeye. The cost of the Telemetering Facilities is estimated to be \_\_\_\_\_. Operator agrees to grant or have granted to Buckeye all necessary rights of way, easements, and adequate continuing access rights on property of Operator or on the Facility site and sufficient to install, operate, maintain, replace and/or remove the Telemetering Facilities located on property of Operator or on the Facility site. Operator agrees to cooperate with Buckeye as necessary prior to the construction by Buckeye of the Telemetering Facilities to execute such other grants, deeds or documents as Buckeye may require to record such rights of way, easements, or other grants. Consideration for such rights of way, easements and other grants, deeds or documents shall be the execution of this Agreement and no other consideration shall be required. Operator agrees that all rights of way, easements, or other grants shall survive termination or expiration of this Agreement. If any part of Buckeye's equipment is to be installed on property outside the Facility site which is not owned by Operator, Buckeye shall obtain from the owners thereof all necessary rights of way and easements, for the construction, operation, maintenance, replacement, and/or removal of Buckeye's equipment upon such property in accordance with its usual practices at a cost to be paid by Operator.

8.6 In the event that the Operator requests or it becomes necessary for Buckeye to alter, add to, relocate or rearrange the Telemetering Facilities, then Operator shall pay for such work.

8.7 The Operator shall interconnect the Facility to the Power Company's electric distribution system in accordance with the terms of the Interconnection and Parallel Operation Agreement.

8.8 The Operator shall purchase [back-up and supplementary] power and energy, [other than that power and energy produced by the Facility and required in connection with the operation of the Facility and the preparation of \_\_\_\_\_ as fuel for the Facility, for the Facility and for Operator's other electric consuming facilities located on the Premises] from the Power Company in accordance with the terms of the Agreement for [Back-Up and Supplementary] Electric Service.

### **ARTICLE IX: Metering**

9.1 The Power Company shall own and maintain all meters and metering devices (except for Buckeye's Telemetering Facilities) used to measure the delivery and receipt of energy, or energy and Dependable Capacity, for payment purposes. Nothing in this Agreement shall prevent Operator from installing meters and metering devices for backup purposes.

9.2 All meters and metering equipment used to determine the electric energy, or energy and Dependable Capacity, delivered to Buckeye shall be sealed, and the seals broken only by Buckeye or Power Company personnel when the meters are to be inspected, tested, or adjusted.

9.3 On a regular schedule and, in addition, upon two (2) weeks prior written notice by Operator, the meter(s) shall be tested. Operator may have a representative present during any metering inspection, test, or adjustment. When, as a result of such a test, a meter is found to be not more than two (2) percent fast or slow because of incorrect calibration or tampering, no adjustment will be made in the amount paid to Operator for energy [and Environmental Attributes], or energy[, Environmental Attributes,] and Dependable Capacity, delivered to Buckeye. If the meter is found to be more than two (2) percent fast or slow because of incorrect calibration or tampering, Buckeye will calculate the correct amount delivered to Buckeye for the actual period during which inaccurate measurements were made or, if the actual period cannot be determined to the mutual satisfaction of the Parties, for a period equal to one-half of the time elapsed since the most recent test, but in no case for a period in excess of twelve (12) Months. The previous payments by Buckeye for this period shall be subtracted from the amount of payments that are calculated to have been owed under this Agreement. The difference shall be offset against or added to the next payment to either Party as appropriate under this or other Agreements between the Parties. The percentage registration of a meter will be calculated by the "weighted average" of light load and full load, which is calculated by giving a value of one (1) to the light load and a value of four (4) to the full load. For purposes of such calculation, the "full load" test shall not be less than the test amperes (TA) of the meter and the "light load" test amperes shall be 5% of the meter TA. "Percent Registration" is calculated as follows:

Percent Registration = (Percentage at Light Load (1)) + (Percentage at Full Load (4)) / 5 x 100%

9.4 Whenever it is found that, for any reason other than incorrect calibration or tampering, the metering apparatus has not registered the true amount of electricity which has been delivered by Operator to Buckeye, the electricity delivered during the entire period of incorrect registration shall be estimated, and the amount of electricity so estimated will be used in calculating the corrected amounts to be paid to Operator. The adjustment amount will be for the actual period during which inaccurate measurements were made or, if the actual period cannot be determined to the mutual satisfaction of the Parties, for a period equal to one-half of the time elapsed since the most recent test of the metering apparatus, but in no case for a period in excess of twelve (12) months. Any overpayments or under payments by Buckeye for energy [and Environmental Attributes], or energy[, Environmental Attributes,] and Dependable Capacity, delivered by Operator to Buckeye shall be corrected in the manner described in Section 9.4.

### **ARTICLE X: Compensation, Payment and Billings**

10.1 Beginning with the first billing period after the Commencement Date, Buckeye shall pay Operator the Avoided Cost Energy Purchase Price for Net Electrical Output received by Buckeye from the Facility each Month as follows:

(a) The Avoided Cost Energy Purchase Price shall be the applicable PJM locational marginal price (LMP) for energy for the hour in which Net Electrical Output from the Facility is made available to Buckeye, as determined by Buckeye in its reasonable discretion. As of the date of this Agreement, the applicable PJM LMP is the Day-Ahead Hourly LMP for the AEP-DAYTON HUB.

(b) The Avoided Cost Energy Purchase Price shall be increased by 3% to adjust for the effect of the Facility on Buckeye's system losses. Buckeye shall redetermine such adjustment at least sixty (60) Days prior to a change in the transmission line voltage of the Interconnection and Metering Facilities.

(c) For each billing period, the hourly Avoided Cost Energy Purchase Price shall be applied to the Net Electrical Output in the corresponding hour and the sum of the product of such hourly Avoided Cost Energy Purchase Price times the corresponding hourly Net Electrical Output for each hour of the Month shall yield the total billing period payment for Net Electrical Output.

[10.2 Beginning with the first billing period after the Commencement Date, Buckeye shall pay Operator the Environmental Attributes Purchase Price for the Environmental Attributes received by Buckeye from the Facility each Month as follows:

(a) The Environmental Attributes Purchase Price for each Month shall be the most recently published index price, expressed in dollars (\$) per kilowatt-hour (kWh), for the

Environmental Attributes applicable to the Facility and for which the Facility is properly qualified and certified, as reasonably determined by Buckeye. Currently, said index price is the OH LOCATED REC INDEX price, as determined by S&P Global and published on S&P Global's Market Intelligence platform. If such index price or publication is no longer available, or if Buckeye reasonably determines that such index price or publication no longer reasonably reflects the market price for the Environmental Attributes applicable to the Facility and for which the Facility is properly qualified and certified, Buckeye may substitute another index price or publication that is available and that does reasonably reflect the market price for the Environmental Attributes applicable to the Facility and for which the Facility is properly qualified and certified. Operator will reasonably cooperate with Buckeye to obtain all necessary qualifications and certifications for the Facility so that the Environmental Attributes may be sold.

(b) For each billing period, the hourly Environmental Attributes Purchase Price shall be applied to the Net Electrical Output in the corresponding hour and the sum of the product of such hourly Environmental Attributes Purchase Price times the corresponding hourly Net Electrical Output for each hour of the Month shall yield the total billing period payment for Environmental Attributes.]

10.3 Beginning with the first billing period after the Commencement Date, Buckeye shall pay Operator both the Avoided Cost Capacity Purchase Price, and the BTM Benefits Purchase Price, for Dependable Capacity received by Buckeye from the Facility each Month as follows:

(a) The Avoided Cost Capacity Purchase Price shall be zero dollars (\$0) based on Buckeye's ownership of sufficient capacity to meet its load obligation at the date of this Agreement.

(b) The BTM Benefits Purchase Price shall include both the PJM Capacity Purchase Price and the Transmission Demand Purchase Price. The PJM Capacity Purchase Price shall equal the current excess demand charge for such Month as determined by Buckeye, representing generally the three-year average PJM Interconnection, LLC ("PJM") price for capacity as determined in the PJM annual base residual auctions. The Transmission Demand Purchase Price shall equal the current transmission demand charge for such Month as determined by Buckeye, representing generally the weighted average demand charge for transmission that Buckeye charges its members for transmission.

(c) For each billing period, the monthly Avoided Cost Capacity Purchase Price, and the BTM Benefits Purchase Price, shall be applied to the Dependable Capacity for such month, and the sum of (i) the product of the Avoided Cost Capacity Purchase Price times the PJM Dependable Capacity for such month, plus (ii) the product of such monthly PJM Capacity Purchase Price times the corresponding PJM Dependable Capacity for such Month, plus (iii) the product of such monthly Transmission Demand Purchase Price times the corresponding Transmission Dependable Capacity for such Month, shall yield the total billing period payment for Dependable Capacity.

10.4 Buckeye shall receive a monthly credit to reflect all reasonable costs incurred by Buckeye for meter reading and billing. The monthly meter reading and billing credit is initially \$\_\_\_\_\_ per billing month.

10.5 Meters shall be read, and bills rendered, according to the meter reading and billing schedule established by Buckeye except that not more than forty-five (45) Days shall pass between readings and billing dates. Buckeye's payment for the energy[, Environmental Attributes] and Dependable Capacity, delivered to Buckeye during the billing period shall be made within twenty-eight (28) Days of the billing date. Interest shall accrue on the outstanding payments due Operator commencing on the twenty-ninth (29) Day after the billing date. However, any amounts due Buckeye, or other amounts due Buckeye arising out of this Agreement, shall be offset against the amounts due to Operator and the net result shall be paid to the appropriate Party within twenty-eight (28) Days of the billing date.

Payment to Buckeye shall be made by wire transfer to the following account, or by check to the notice address set forth in Section 3.1:

PNC Bank, Cleveland, OH  
ABA No. 041000124  
Account No. 4209449907

Payment to Operator shall be made by wire transfer to the following account:

\_\_\_\_\_  
ABA No. \_\_\_\_\_  
Account No. \_\_\_\_\_

Either Party may, by written notice to the other, change the account to which such checks should be sent.

### **ARTICLE XI: Testing and Capacity Ratings**

11.1 During the Initial Capacity Test Period, the Dependable Capacity of the Facility during each Month of the Initial Capacity Test Period shall equal the following:

$$\frac{Y}{5}$$

where Y= The sum of the hourly integrated kW output of the Facility at the hour of Buckeye's system peak demand during such Month and at the hour of each of the next four highest Buckeye system demands during such Month. In the event that any of such hours occurs during a Schedule Outage or a Forced Outage, including a Forced Outage caused by an event of Force Majeure, the Dependable Capacity of the Facility shall nevertheless be determined during such hours.

11.2 For each Capacity Test Period other than the Initial Capacity Test Period, the Facility shall be rerated as described below in this Section 11.2. The PJM Dependable Capacity of the Facility during each Month of the Capacity Test Period shall equal the average of the hourly integrated kW output of the Facility at the hour of each of PJM's system peak demands used by PJM to determine annual capacity charges for such Month. The Transmission Dependable Capacity of the Facility during each Month of the Capacity Test Period shall equal the average of the hourly integrated kW output of the Facility at the hour of each of PJM's system peak demands used by PJM to determine annual transmission capacity charges for such Month in the transmission zone in which the Facility is located. In the event that any of such hours occurs during a Schedule Outage or a Forced Outage, including a Forced Outage caused by an event of Force Majeure, the Dependable Capacity of the Facility shall nevertheless be determined during such hours.

Notwithstanding the above, the Dependable Capacity of the Facility shall not exceed [CAPACITY] kW except by mutual agreement of the Parties.

## **ARTICLE XII: Insurance**

12.1 Operator shall obtain and maintain the following policies of insurance during the term of this Agreement:

(a) Workers' Compensation Insurance which complies with the laws of the State of Ohio and Employers' Liability insurance with limits of at least \$ 1,000,000; and

(b) Comprehensive or Commercial General Liability insurance with bodily injury and property damage combined single limits of at least \$250,000 per occurrence if the Facility is 10 kW or less, \$1,000,000 per occurrence if the Facility is greater than 10 kW but less than 100 kW, or \$5,000,000 per occurrence if the Facility is 100 kW or greater. Such insurance shall include, but not necessarily be limited to specific coverage for contractual liability encompassing the indemnification provisions in Article XIII, broad form property damage liability, personal injury liability, explosion and collapse hazard coverage, products/completed operations liability, and, where applicable, watercraft protection and indemnity liability; and

(c) If the Facility is greater than 2 MW, Excess Umbrella liability insurance with a single limit of at least \$5,000,000 per occurrence in excess of the limits of insurance provided in subparagraphs (a) and (b) above.

12.2 The amounts of insurance required in Section 12.1 above may be satisfied by Operator purchasing primary coverage in the amounts specified or by buying a separate excess Umbrella Liability policy together with lower primary underlying coverage. The structure of the coverage is Operator's option, so long as the total amount of insurance meets Buckeye's requirements.

12.3 The coverage requested in Section 12.1(b) above and any Umbrella or Excess coverage should be "occurrence" form policies. In the event Operator has "claims-made" form coverage, Operator must obtain prior approval of all "claims-made" policies from Buckeye.

12.4 Operator shall cause its insurers to amend its Comprehensive or Commercial General Liability and, if applicable, Umbrella or Excess Liability policies with the following endorsement items (a) through (e); and to amend Operator's Workers' Compensation, and Auto Liability policies with endorsement item (e):

(a) Buckeye, and its directors, officers, and employees are additional Insureds under this Policy; and

(b) This insurance is primary with respect to the interest of Buckeye, and its directors, officers, and employees and any other insurance maintained by them is excess and not contributory with this insurance; and

(c) The following cross liability clause is made a part of the policy: "In the event of claims being made by reasons of (i) personal and/or bodily injuries suffered by any employee or employees of one insured hereunder for which another insured hereunder is or may be liable, or (ii) damage to property belonging to any insured hereunder for which another insured is or may be liable, then this policy shall cover such insured against whom a claim is made or may be made in the same manner as if separate policies have been issued to each insured hereunder, except with respect to the limits of insurance"; and

(d) Insurer hereby waives all rights of subrogation against Buckeye, and its officers, directors and employees; and

(e) Notwithstanding any provision of the policy, this policy may not be canceled, non-renewed or materially changed by the insurer without giving thirty (30) Days prior written notice to Buckeye. All other terms and conditions of the policy remain unchanged.

12.5 Operator shall cause its insurers or agents to provide Buckeye with certificates of insurance evidencing the policies and endorsements listed above prior to the Commencement Date, as well as copies of each annual renewal certificate for such policies and endorsements, promptly after such renewal certificates are issued. Buckeye shall have the right to review the policies and endorsements listed above at any time during the term of this Agreement, and Operator shall promptly provide copies of the same to Buckeye upon its request. Failure of Buckeye to obtain certificates of insurance does not relieve Operator of the insurance requirements set forth herein. Failure to obtain the insurance coverage required by this Article XII shall in no way relieve or limit Operator's obligations and liabilities under other provisions of this Agreement.

### **ARTICLE XIII: Liability and Noncompliance**

13.1 Neither Party shall hold the other Party (including its corporate affiliates, parent, subsidiaries, directors, officers, employees and agents) liable for any claims, losses, costs and expenses of any kind or character (including, without limitation, loss of earnings and attorneys' fees) on account of damage to property of Buckeye or Operator in any way occurring incident to, arising out of, or in connection with a Party's performance under this Agreement, except as provided in Section 13.2 below and subject to Section 13.4 below.

13.2 Subject to Section 13.3 below, Operator and Buckeye agree to indemnify and hold each other harmless from and against all claims, demands, losses, liabilities and expenses (including reasonable attorneys' fees) for personal injury or death to persons and damage to each other's property or facilities or the property of any other person or corporation to the extent arising out of, resulting from or caused by their negligent or intentional acts, errors or omissions or breach of this Agreement.

13.3 Neither Party shall be liable to the other Party for indirect, incidental, or consequential damages arising out of its failure to meet its obligations under this Agreement, irrespective of the causes thereof, including fault or negligence. Except as otherwise limited by the terms hereof and notwithstanding the above waiver of indirect, incidental or consequential damages, each Party to this Agreement shall be liable for direct damages to the other Party caused by its negligence or willful misconduct in connection with or arising out of this Agreement, and for any other obligations to pay damages to, or to reimburse or indemnify the other Party as expressly set forth in this Agreement.

#### **ARTICLE XIV: Force Majeure**

14.1 Neither Party shall be responsible or liable for, or deemed in breach hereof because of any delay in the performance of their respective obligations hereunder due solely to circumstances beyond the reasonable control of the Party experiencing such delay except for payments of money, including but not limited to acts of God; unusually severe weather conditions; strikes or other labor difficulties; war; riots; requirements, actions or failures to act on the part of governmental authorities preventing performance; inability despite due diligence to obtain required licenses, permits or authorizations; accident; fire; damage to or breakdown of necessary facilities; inability, despite due diligence and without regard to price, to obtain necessary parts, equipment or materials; or transportation delays or accidents (such causes hereinafter called "Force Majeure"); provided that:

- (a) The non performing Party gives the other Party within forty-eight (48) hours written notice describing the particulars of the occurrence;
- (b) The suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure;
- (c) The non-performing Party uses its best efforts to remedy its inability to perform;
- (d) When the non-performing Party is able to resume performance of its obligations under this Agreement, that Party shall give the other Party written notice to that effect; and
- (e) The Force Majeure was not caused by or connected with any negligent or intentional acts, errors, or omissions, or failure to comply with any law, rule, regulation, order or ordinance or for any breach or default of this Agreement.

14.2 The term Force Majeure does not include changes in market conditions or

governmental action that affect the cost or availability of Operator's supply of fuel or any alternate supplies of fuel or the demand for Operator's products.

14.3 Notwithstanding the above, a Forced Outage that is caused by an event of Force Majeure under this Article XIV shall not excuse the determination of the Facility's Dependable Capacity in accordance with Article XI.

14.4 Except as otherwise provided, in no event will any condition of Force Majeure extend this Agreement beyond its stated Term. If any condition of Force Majeure delays a Party's performance for a time period greater than one hundred eighty (180) Days, the Party not delayed by such Force Majeure may terminate this Agreement without further obligation; provided, however, that if the Force Majeure cannot be overcome within such one hundred eighty (180) Days with the exercise of reasonable diligence, the Party not delayed shall grant a reasonable additional period of time in which to overcome such Force Majeure.

#### **ARTICLE XV: Taxes**

All present or future federal, state, municipal or other lawful taxes payable by reason of the sale or purchase of Net Electrical Output[, Environmental Attributes,] or Dependable Capacity, the production of Net Electrical Output[, Environmental Attributes,] or Dependable Capacity, or the ownership of the Facility, under this Agreement shall be paid by Operator. Without limiting the generality of the foregoing, Operator shall be solely responsible for: any Ohio kilowatt-hour taxes associated with the production of electricity from the Facility; any Ohio public utility property taxes associated with Operator's ownership of the Facility; and any state or federal income taxes associated with Operator's receipt of payments from Buckeye under this Agreement for the output of the Facility. Operator acknowledges that neither Buckeye nor the Power Company has represented to Operator that the Operator will not be subject to any such kilowatt-hour taxes, public utility property taxes, or state or federal income taxes.

#### **ARTICLE XVI: Choice of Law**

This Agreement shall be interpreted, construed and governed by the laws of the State of Ohio, except for any such laws that would cause the laws of another state to govern the interpretation and construction of this Agreement. The Parties hereby submit to the jurisdiction of courts located in, and venue is hereby stipulated to be in the State of Ohio.

#### **ARTICLE XVII: Assignment and Sale of Operator's Facility**

17.1 Buckeye recognizes that Operator may be required to assign certain rights under this Agreement to a financing institution or other entity providing funding for the Facility as a condition of financing for collateral security purposes. Notwithstanding the foregoing, neither Party shall assign this Agreement or any portion thereof without the prior written consent of other Party which consent shall not be unreasonably withheld; provided, however, such consent shall not be required prior to an assignment for collateral security purposes to a financing institution or other entity providing funding for the Facility, or to the assigning party's parent, subsidiary or affiliated corporation or other affiliated business entity, including without

limitation an affiliated limited liability company or partnership; but provided, further that: (i) any permitted assignee other than a financing institution providing funding for the Facility shall expressly assume assignor's obligations hereunder; (ii) no such assignment shall impair any security given by Operator hereunder; (iii) unless expressly agreed by the other Party, no assignment, whether or not consented to, shall relieve the assignor of its obligations hereunder in the event its assignee fails to perform; and (iv) the non-assigning Party shall receive notice of the assignment at least thirty (30) days before the effective date of the assignment.

17.2 Should Operator or any assignee of Operator ever desire to dispose of its right, title, or interest in the Facility (hereinafter called "Transfer Interest") except to a direct or indirect affiliate or subsidiary of Operator to which Operator is assigning this Agreement in accordance with Section 17.1, then, to the extent permitted under applicable laws and regulations, Operator will deliver to Buckeye a notice of Operator's intent to sell such Transfer Interest ("Transfer Notice") no less than sixty (60) days before the date on which Operator anticipates commencing negotiations with a potential transferee of the Transfer Interest. Thereafter, Buckeye shall have thirty (30) days in which to offer to purchase the Transfer Interest. Upon Operator's receipt of Buckeye's offer, the Parties will commence negotiations for a period of thirty (30) days with respect to such offer and, if the Parties agree on the terms for Buckeye's purchase of the Transfer Interest, the transaction shall, subject to the satisfaction of all conditions to closing and all other terms and conditions agreed to by the Parties, be closed and full payment made by Buckeye and the Transfer Interest transferred by Operator to Buckeye. If the Parties are unable to agree on terms for Buckeye's purchase of the Transfer Interest, or if Buckeye fails to make an offer for the Transfer Interest, as provided in this Section 17.2, then Operator shall be free to transfer or assign the Transfer Interest to a third party provided that such transaction closes within one year after the date on which Operator gives Buckeye the Transfer Notice and provided, further, that the purchase price for the Transfer Interest is not equal to or less than the purchase price, if any, offered by Buckeye in good faith for such Transfer Interest. If Operator has not completed a transfer or assignment of the Transfer Interest within two years after giving the Transfer Notice to Buckeye, then Operator shall not transfer or assign the Transfer Interest except to a direct or indirect affiliate or subsidiary of Operator to which Operator is assigning this Agreement in accordance with Section 17.1, without first delivering a Transfer Notice to Buckeye as described in this Section 17.2 and Buckeye shall again have the right to offer to purchase the Transfer Interest as provided above.

#### **ARTICLE XVIII: Miscellaneous Provisions**

18.1 This Agreement can be amended only by agreement between the Parties in writing.

18.2 The failure of either Party to insist in any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect.

18.3 The headings contained in this Agreement are used solely for convenience and do not constitute a part of the Agreement between the Parties hereto, nor should they be used to aid in any manner in the construction of this Agreement.

18.4 This Agreement is intended solely for the benefit of the Parties hereto. Nothing in this Agreement shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a Party to this Agreement.

18.5 This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties or to impose any partnership obligation or liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

18.6 Cancellation, expiration or earlier termination of this Agreement shall not relieve the Parties of obligations that by their nature should survive such cancellation, expiration or termination, including without limitation, warranties, remedies, promises of indemnity and confidentiality.

#### **ARTICLE XIX: Entirety**

This Agreement is intended by the Parties as the final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement with respect to the Net Electrical Output[, Environmental Attributes,] and Dependable Capacity sold and purchased hereunder. All prior written or oral understandings, offers or other communications of every kind pertaining to the sale of Net Electrical Output[, Environmental Attributes,] and Dependable Capacity hereunder to Buckeye by Operator are hereby abrogated and withdrawn.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above.

BUCKEYE POWER, INC.

[OPERATOR]

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title:  
\_\_\_\_\_

Title:  
\_\_\_\_\_

**SECTION Q**

**BACK-UP AND SUPPLEMENTARY AND**

**STANDBY POWER SERVICE RATE SCHEDULES**

**Note: The Cooperative shall determine which of the following rate schedules is applicable, given the characteristics of the interconnecting load and generation.**

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.  
SCHEDULE BU-22**

**BACK-UP AND SUPPLEMENTARY ELECTRIC SERVICE**

**AVAILABILITY**

Available to Consumers contracting for electric service from the Cooperative who, through the operation of qualifying cogeneration or small power production facilities, as defined in Butler Rural Electric Cooperative, Inc.'s Policy Manual relating thereto, have available electric energy and the associated capacity which they desire to first use to meet the requirements of the Consumer's electric consuming facilities located on the Premises, and then sell to Buckeye Power, Inc. (Buckeye) any such output in excess of the requirements of the Consumer's electric consuming facilities in accordance with the requirements of the Public Utility Regulatory Policies Act of 1978., as amended, and all governmental regulations lawfully promulgated thereunder (PURPA) and Butler Rural Electric cooperative and Buckeye's applicable rules, regulations, policies and rate schedules in the following circumstances:

- A. When the output of a non-residential Consumer's qualifying facility is greater than 100 KW but less 5 MVA; or
- B. When the output of a residential Consumer's qualifying facility greater than 25 KW but less than 5 MVA; or
- C. When the output of the Consumer's qualifying cogeneration or small power production facility up to 100 KW, in the case of a non-residential Consumer's facility, or up to 25 kW, in the case of a residential Consumer's facility, is reasonably anticipated to exceed the annual electric energy requirements of the Consumer; or
- D. When the output of the qualifying facility is equal to or greater than 5 MVA and Buckeye, the Cooperative, and the Consumer have agreed on the terms and conditions for service.

**BACK-UP AND SUPPLEMENTARY ELECTRIC SERVICE**

The Consumer shall use the output of the qualifying facility first to meet the requirements of the Consumer's electric consuming facilities located on the Premises. Any output of the qualifying facility in excess of the requirements of Consumer's electric consuming facilities located on the Premises shall be sold to Buckeye Power, Inc. Any requirements of Consumer's electric consuming facilities located on the Premises not met by the output of Consumer's qualifying facility shall be supplied to the Consumer by the Cooperative under this Rate Schedule.

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.  
SCHEDULE BU-22**

**BACK-UP AND SUPPLEMENTARY ELECTRIC SERVICE**

**RATE**

The rate for back-up and supplementary electric service shall be determined by the rate schedule, as selected by the Cooperative, prior to consideration of the consumer's generating capabilities. All terms and conditions of the selected rate schedule will also be applicable under Schedule BU-22.

**OTHER TERMS AND CONDITIONS**

The Cooperative's rules and regulations relating to the purchases from qualifying cogeneration and small power production facilities as they are now in effect or as they may hereafter be amended from time to time, are incorporated into and made a part of this rate schedule as if contained herein. The Consumer shall comply with all the provisions of such rules and regulations.

**RATE REVIEW**

The above rate schedule is reviewed annually to determine necessary adjustments, based upon current cost factors. This schedule is subject to more frequent review, should economic and/or environmental conditions dictate. Notification will be made 60-days prior to any "Distribution" rate adjustment.

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE S-1**  
**STANDBY POWER SERVICE (SUPPLEMENTAL)**

**AVAILABILITY**

Available to all consumers located on or near the Cooperative's three phase lines for standby and/or supplemental service, subject to the established rules and regulations of the Cooperative.

**APPLICABILITY**

Subject to the following terms, this schedule is applicable for standby and/or supplemental service to any consumer whose electric service requirements are supplied or supplemented from on-site generation equipment owned or provided by the consumer:

1. The capacity of the consumer provided generation is at least 20% of the consumer's load and operates less than 4,000 hours per year.
2. The consumer's load requirement is 100 kW or more.
3. The consumer's on-site generation has a rated capacity of 100 kW or more and be electrically engineered so that it can provide all or part of the consumer's load.
4. The consumer must enter into a Standby Service Agreement with the cooperative and designate a Contract Standby Demand.
5. The consumer shall pay for all facilities required for interconnection and parallel operation with the Cooperative's distribution system.
6. This rate does not apply to members with emergency, back-up generation only.

**TYPE OF SERVICE**

Single or three phase, 60 hertz, at available secondary voltages.

**MONTHLY RATE**

**Distribution Charges:**

Distribution Base Charge	@	\$110.00 per month
Demand Delivery Charges:		
First 500 kW per month	@	\$3.41 per kW
Over 500 kW per month	@	\$0.391 per kW

**Distribution Energy Charges:**

150 times the kW of Billing Demand up to the first 200 kWh per kW of Billing Demand*	@	\$0.04653 per kWh
Next 200 kWh per kW of Billing Demand	@	\$0.00364 per kWh
Over 400 kWh per kW of Billing Demand	@	\$0.00364 per kWh

\* This establishes a minimum kWh for billing purposes equal to 150 times the billing demand.

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.  
SCHEDULE S-1  
STANDBY POWER SERVICE (SUPPLEMENTAL)**

**Generation and Transmission Charges:**

Peak-Based	@	\$8.42	per PB kW
Monthly CP	@	\$6.71	per CP-kW
LRS CP	@	\$8.52	per LRS-kW

All kWh

“E” (Section I of Schedule GTC)

The variable charges are determined pursuant to the Schedule Generation and Transmission Clause (“GTC”).

**DETERMINATION OF LOAD FACTOR**

The monthly energy (kWh) usage will be added to the previous eleven (11) months of recorded usage. The Demand (kW) shall be the highest recorded non-coincident fifteen (15) minute demand (kW) for the period of the current month and the previous eleven (11) months.  $\text{Load Factor} = \text{kWh}/(\text{kW demand} \times 24 \text{ hours} \times 365 \text{ days})$ ;  $\% \text{ Load Factor} = 100 \times \text{Load Factor}$  (above).

**DETERMINATION OF DISTRIBUTION BILLING DEMAND**

The distribution billing demand shall be the higher of (a) the highest non-coincident 15 minute kW demand established during the month for which the bill is rendered as indicated or recorded by a demand meter and adjusted for power factor as provided below, or (b) 50% of the highest billing demand previously established during the past 24 months.

**DETERMINATION OF PEAK-BASED, MONTHLY CP and LRS CP DEMANDS**

- A. The Peak-Based Demand shall be the average of the 60-minute coincident demands metered during the hours identified as the PJM Interconnection, LLC (PJM) Five High Peak Hours. The Peak-Based Demand will be established for each calendar year based upon the demands metered for the prior year.
- B. The Monthly CP Demand shall be the average of the 60-minute demands metered during the hours identified as the Buckeye Monthly Five High Peak Hours (Buckeye 5-CP).
- C. The LRS CP Demand shall be the amount of kilowatts for the month which is determined to have contributed to the Load Ratio Share pursuant to Buckeye Power Inc.’s current A Rate or any successor rate schedule.

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE S-1**  
**STANDBY POWER SERVICE (SUPPLEMENTAL)**

**POWER FACTOR ADJUSTMENT**

The consumer agrees to maintain unity power factor as nearly as practical. Demand charges may be adjusted for consumers with 50 kW or more of measured demand to correct for average power factors lower than 90%, any may be so adjusted for other consumers if and when the Seller deems necessary. Such adjustment will be made by increasing the measured demand 1% for each 1% by which the average power factor is less than 90% lagging or leading.

**MINIMUM MONTHLY CHARGE**

The minimum monthly charge shall be the minimum monthly charge specified in the Standby Service Agreement.

**DELIVERY VOLTAGE - PRIMARY DELIVERY**

The consumer may at his option choose to accept delivery at an available primary voltage. In this case, the consumer shall at his own expense, operate and maintain all transformers and/or other apparatus needed for his utilization of the delivered primary voltage. When primary delivery is accepted, a credit of \$.45 per kW will be applied to the demand charge.

**DELIVERY VOLTAGE - METERING**

Service will normally be metered at the delivery voltage. The Cooperative reserves the option of metering on the primary for secondary delivery or metering on the secondary for primary delivery and adjusting the metered energy to correct for transformer losses:

- a) In case of primary metering for secondary delivery--the metered kWh shall be multiplied by .99.
- b) In case of secondary metering for primary delivery--the metered kWh shall be divided by .99.

The Meter Voltage correction, if applicable, shall be made to the metered kWh before calculation of the bill or any other adjustments are made.

**TERMS OF CONTRACT**

Contracts for service under this Schedule shall be for a period of three (3) years and for such time thereafter until terminated by either party upon (1) year written notice.

**TERMS OF PAYMENT**

The above rates are net. Bills are due within 15 days after they are mailed. The service may be disconnected if not paid by the due date. In the event the current month's bill is not paid by the due date, the gross rate shall apply. The gross rate is 7% higher than the net rate.

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE S-1**  
**STANDBY POWER SERVICE (SUPPLEMENTAL)**

**RATE REVIEW**

The above rate schedule is reviewed annually to determine necessary adjustments, based upon current cost factors. This schedule is subject to more frequent review, should economic and/or environmental conditions dictate. Notification will be made 60-days prior to any “Distribution” rate adjustment.

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE S-2**  
**STANDBY POWER SERVICE (ACTUAL)**

**AVAILABILITY**

Available to all consumers located on or near the Cooperative's three phase lines for standby and/or supplemental service, subject to the established rules and regulations of the Cooperative.

**APPLICABILITY**

Subject to the following terms, this schedule is applicable as a rider to Schedule LP11 for standby, backup, or maintenance service to any consumer whose electric service requirements are supplied or supplemented from on-site generation equipment owned or provided by the consumer:

1. A consumer is required to take service under this schedule if the capacity of the consumer provided generation is at least 20% of the consumer's load and the generator operates at least 4,000 hours per year.
2. The consumer's load requirement must 100 kW or more.
3. The consumer's on-site generation must have a rated capacity of 100 kW or more and be electrically engineered so that it can provide all or part of the consumer's load.
4. The consumer must enter into a Standby Service Agreement with the cooperative and designate a Contract Standby Demand.
5. The consumer may schedule up to four weeks of maintenance during any year at times subject to the approval of the Cooperative.
6. Supplemental Distribution Service will be provided under Schedule LP-11. Standby, Backup, and Supplemental Generation & Transmission Service will be provided in full under this Schedule S-2.
7. The consumer shall pay for all facilities required for interconnection and parallel operation with the Cooperative's distribution system.

**TYPE OF SERVICE**

Single or three phase, 60 hertz, at available secondary voltages.

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE S-2**  
**STANDBY POWER SERVICE (ACTUAL)**

**MONTHLY RATE**

**Distribution Charges:**

Demand Delivery Charges:

All kW of Standby Billing Demand per month @ \$4.08 per kW

**Generation and Transmission Charges:**

Peak-Based @ \$8.42 per PB kW

Monthly CP @ \$6.71 per CP-kW

LRS CP @ \$8.52 per LRS-kW

All kWh @ "E" (Section I of Schedule GTC)

The variable charges are determined pursuant to the Schedule Generation and Transmission Clause ("GTC").

**DETERMINATION OF LOAD FACTOR**

The monthly energy (kWh) usage will be added to the previous eleven (11) months of recorded usage. The Demand (kW) shall be the highest recorded non-coincident fifteen (15) minute demand (kW) for the period of the current month and the previous eleven (11) months.  $\text{Load Factor} = \frac{\text{kWh}}{(\text{kW demand} \times 24 \text{ hours} \times 365 \text{ days})}$ ; % Load Factor = 100 x Load Factor (above).

**DETERMINATION OF STANDBY BILLING DEMAND**

The Standby Billing Demand shall be the Contract Standby Demand minus the Supplemental Billing Demand. The Contract Standby Demand shall be the higher of: (a) the highest non-coincident 15 minute kW demand measure during the current or any preceding month, except during periods of scheduled maintenance, adjusted for power factor as provided below, or (b) the amount specified in the Standby Service Agreement. The Supplemental Billing Demand to be used as the Distribution Billing Demand for supplemental service under Schedule LP11 shall be as defined in Schedule LP11 but modified to exclude any demands measured during periods when the consumer's generation does not operate or during periods of scheduled maintenance

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE S-2**  
**STANDBY POWER SERVICE (ACTUAL)**

**DETERMINATION OF PEAK-BASED, MONTHLY CP and LRS CP DEMANDS**

- A. The Peak-Based Demand shall be the average of the 60-minute coincident demands metered during the hours identified as the PJM Interconnection, LLC (PJM) Five High Peak Hours. The Peak-Based Demand will be adjusted annually after the Cooperative's Peak-Based Demand is adjusted by Buckeye Power Inc. based upon demands metered in the prior PJM Peak season.
- B. The Monthly CP Demand shall be the average of the 60-minute demands metered during the hours identified as the Buckeye Monthly Five High Peak Hours (Buckeye 5-CP).
- C. The LRS CP Demand shall be the amount of kilowatts for the month which is determined to have contributed to the Load Ratio Share pursuant to Buckeye Power Inc.'s current A Rate or any successor rate schedule.

**POWER FACTOR ADJUSTMENT**

The consumer agrees to maintain unity power factor as nearly as practical. Demand charges may be adjusted for consumers with 50 kW or more of measured demand to correct for average power factors lower than 90%, any may be so adjusted for other consumers if and when the Seller deems necessary. Such adjustment will be made by increasing the measured demand 1% for each 1% by which the average power factor is less than 90% lagging or leading.

**MINIMUM MONTHLY CHARGE**

The minimum monthly charge shall be the minimum monthly charge specified in the Standby Service Agreement.

**DELIVERY VOLTAGE - PRIMARY DELIVERY**

The consumer may at his option choose to accept delivery at an available primary voltage. In this case, the consumer shall at his own expense, operate and maintain all transformers and/or other apparatus needed for his utilization of the delivered primary voltage. When primary delivery is accepted, a credit of \$.45 per kW will be applied to the demand charge.

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE S-2**  
**STANDBY POWER SERVICE (ACTUAL)**

**DELIVERY VOLTAGE - METERING**

Service will normally be metered at the delivery voltage. The Cooperative reserves the option of metering on the primary for secondary delivery or metering on the secondary for primary delivery and adjusting the metered energy to correct for transformer losses:

- a) In case of primary metering for secondary delivery--the metered kWh shall be multiplied by .99.
- b) In case of secondary metering for primary delivery--the metered kWh shall be divided by .99.

The Meter Voltage correction, if applicable, shall be made to the metered kWh before calculation of the bill or any other adjustments are made.

**TERMS OF CONTRACT**

Contracts for service under this Schedule shall be for a period of three (3) years and for such time thereafter until terminated by either party upon (1) year written notice.

**TERMS OF PAYMENT**

The above rates are net. Bills are due within 15 days after they are mailed. The service may be disconnected if not paid by the due date. In the event the current month's bill is not paid by the due date, the gross rate shall apply. The gross rate is 7% higher than the net rate.

**RATE REVIEW**

The above rate schedule is reviewed annually to determine necessary adjustments, based upon current cost factors. This schedule is subject to more frequent review, should economic and/or environmental conditions dictate. Notification will be made 60-days prior to any "Distribution" rate adjustment.