Minnesota Municipal Power Agency 5 kW Hometown Solar
Shakopee, MN

UNIFORM CONTRACT

ABSTRACT

Interconnection agreement for net energy billing DER systems or DER systems up to 100 kW that are compensated at avoided cost.

UNIFORM CONTRACT FOR COGENERATION AND SMALL POWER PRODUCTION FACILITIES

THIS CONTRACT is entered into ____________________, ___, by ________________ ______________________, a municipal utility under Minnesota law, (hereafter called "Utility") and ____ (hereafter called "QF").

RECITALS

The QF has installed electric generating facilities, consisting of ____________________ ______________________________ (Description of facilities), rated at ____kilowatts AC of electricity, on property located at ____ ____.

The QF is a customer of the Utility located within the assigned electric service territory of the Utility.

The QF is prepared to generate electricity in parallel with the Utility.

The QF's electric generating facilities meet the requirements of the rules adopted by the Utility on Cogeneration and Small Power Production and any technical standards for interconnection the Utility has established that are authorized by those rules.

The Utility is obligated under federal and Minnesota law to interconnect with the QF and to purchase electricity offered for sale by the QF.

A contract between the QF and the Utility is required.

AGREEMENTS

The QF and the Utility agree:

1. The Utility will sell electricity to the QF under the rate schedule in force for the class of customer to which the QF belongs.

2. The Utility will buy electricity from the QF under the current rate schedule filed with the city council or city-appointed governing body of the utility. The QF elects the rate schedule category hereinafter indicated:

____ a. Roll-over credits.

- QF capacity must be less than 40 kW.

____ b. Average retail utility energy rate.

- QF capacity must be less than 40 kW.

____ c. Simultaneous purchase and sale billing rate.

- QF capacity must be less than 40 kW.

____ d. Time-of-day purchase rates.

- QF capacity must be 40 kW or more and less than or equal to 100 kW.

A copy of the presently approved rate schedule is attached to this contract.

3. The rates for sales and purchases of electricity may change over the time this contract is in force, due to actions of the Utility or the State of Minnesota, and the QF and the Utility agree that sales and purchases will be made under the rates in effect each month during the time this contract is in force.

4. The Utility will compute the charges and payments for purchases and sales for each billing period. Any net credit to the QF, other than kilowatt-hour credits under clause 2(c), will be made under one of the following options as chosen by the QF.

____a. Credit to the QF's account with the Utility. (Option pays a true up check after final December reading.)

____ b. Paid by check or electronic payment service to the QF within fifteen (15) days of the billing date. (Option - costs $7/month for billing fees)

5. Renewable energy credits associated with generation from the facility are owned by:
____.

6. The QF must operate its electric generating facilities within any rules, regulations, and policies adopted by the Utility not prohibited by the rules governing Cogeneration and Small Power Production on the Utility's system which provide reasonable technical connection and operating specifications for the QF and are consistent with the Minnesota Public Utilities Commission's rules on Cogeneration and Small Power Production, as required under Minnesota Statutes §216B.164, subdivision 9.

7. The QF will not enter into an arrangement whereby electricity from the generating facilities will be sold to an end user in violation of the Utility's exclusive right to provide electric service in its service area under Minnesota Statutes, §216B.37-44.

8. The QF will operate its electric generating facilities so that they conform to the national, state, and local electric and safety codes, and will be responsible for the costs of conformance.

9. The QF is responsible for the actual, reasonable costs of interconnection which are estimated to be $___________. The QF will pay the Utility in this way:

____

____.

10. Distributed generation rate charge (DGRC) is established to maintain the utility’s infrastructure, such as power lines, transformers, meters, and substations, which are still necessary to support the customer’s electricity needs when their DG system isn’t generating enough power. The QF will pay a rate of $___________ for their system size of ___________ KW per month. The first 3 KWs are at no cost.

DGRC Formula – Charge x (Size of the System – 3KW) = Monthly DGRC

11. The QF will give the Utility reasonable access to its property and electric generating facilities if the configuration of those facilities does not permit disconnection or testing from the Utility 's side of the interconnection. If the Utility enters the QF's property, the Utility will remain responsible for its personnel.

12. The Utility may stop providing electricity to the QF during a system emergency. The Utility will not discriminate against the QF when it stops providing electricity or when it resumes providing electricity.

13. The Utility may stop purchasing electricity from the QF when necessary for the Utility to construct, install, maintain, repair, replace, remove, investigate, or inspect any equipment or facilities within its electric system. The Utility may stop purchasing electricity from the QF in the event the generating facilities listed in this contract are documented to be causing power quality, safety or reliability issues to the Utility’s electric distribution system.

The Utility will notify the QF before it stops purchasing electricity in this way:

____

____.

14. The QF will keep in force general liability insurance against personal or property damage due to the installation, interconnection, and operation of its electric generating facilities. The amount of insurance coverage will be $ ____________. (The amount must be consistent with the distributed generation tariff adopted by the Utility pursuant to Minnesota Statutes §216B.1611, subdivision 3, clause 2.)

15. The QF and the Utility agree to attempt to resolve all disputes arising hereunder promptly and in a good faith manner.

16. The city council or city-appointed body governing the Utility has authority to consider and determine disputes, if any, that arise under this contract in accordance with procedures in the rules it adopts implementing Minnesota Statute §216B.164, pursuant to §216B.164, subdivision 9.

17. This contract becomes effective as soon as it is signed by the QF and the Utility. This contract will remain in force until either the QF or the Utility gives written notice to the other that the contract is canceled. This contract will be canceled thirty (30) days after notice is given. If the listed electric generating facilities are not interconnected to the Utility's distribution system within twelve months of the contract being signed by the QF and the Utility, the contract terminates. The QF and the Utility may delay termination by mutual agreement.

18. Neither the QF nor the Utility will be considered in default as to any obligation if the QF or the Utility is prevented from fulfilling the obligation due to an act of God, labor disturbance, act of public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, an order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or other cause beyond the QF's or Utility's control. However, the QF or Utility whose performance under this contract is hindered by such an event shall make all reasonable efforts to perform its obligations.

19. This contract can only be amended or modified by mutual agreement in writing signed by the QF and the Utility.

20. The QF must notify the Utility prior to any change in the electric generating facilities' capacity size or generating technology according to the interconnection process adopted by the Utility.

21. Termination of this contract is allowed (i) by the QF at any time without restriction; (ii) by Mutual Agreement between the Utility and the QF; (iii) upon abandonment or removal of electric generating facilities by the QF; (iv) by the Utility if the electric generating facilities are continuously non-operational for any twelve (12) consecutive month period; (v) by the Utility if the QF fails to comply with applicable interconnection design requirements or fails to remedy a violation of the interconnection process; or (vi) by the Utility upon breach of this contract by the QF unless cured with notice of cure received by the Utility prior to termination.

22. In the event this contract is terminated, the Utility shall have the rights to disconnect its facilities or direct the QF to disconnect its generating facilities.

23. This contract shall continue in effect after termination to the extent necessary to allow either the Utility or the QF to fulfill rights or obligations that arose under the contract.

24. Transfer of ownership of the generating facilities shall require the new owners and the Utility to execute a new contract. Upon the execution of a new contract with the new owners this contract shall be terminated.

25. The QF and the Utility shall at all times indemnify, defend, and save each other harmless from any and all damages, losses, claims, including claims and actions relating to injury or death of any person or damage to property, costs and expenses, reasonable attorneys' fees and court costs, arising out of or resulting from the QF's or the Utility's performance of its obligations under this contract, except to the extent that such damages, losses or claims were caused by the negligence or intentional acts of the QF or the Utility.

26. The Utility and the QF will each be responsible for its own acts or omissions and the results thereof to the extent authorized by law and shall not be responsible for the acts or omissions of any others and the results thereof.

27. The QF's and the Utility's liability to each other for failure to perform its obligations under this contract shall be limited to the amount of direct damage actually occurred. In no event, shall the QF or the Utility be liable to each other for any punitive, incidental, indirect, special, or consequential damages of any kind whatsoever, including for loss of business opportunity or profits, regardless of whether such damages were foreseen.

28. The Utility does not give any warranty, expressed or implied, to the adequacy, safety, or other characteristics of the QF's interconnected system.

29. This contract contains all the agreements made between the QF and the Utility. The QF and Utility are not responsible other than those stated in this contract.

THE QF AND THE UTILITY HAVE READ THIS CONTRACT AND AGREE TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY HAVE EACH SIGNED THIS CONTRACT BELOW ON THE DATE LISTED BY SIGNER.

QF

By: ________________________________

Printed Name:_______________________

DATE: _____________________________

UTILITY

By: ________________________________

Printed Name:_______________________

DATE: _____________________________

Contract Version: *February 2019*