

## **Interconnection and Power Purchase Agreement**

THIS AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_, by and between \_\_\_\_\_ (hereinafter called “Cooperative”), \_\_\_\_\_ (hereinafter called “Generator”) and Allegheny Electric Cooperative (hereafter called “Allegheny”).

### **WITNESSETH**

WHEREAS, the Generator has indicated a desire to install electric generating facilities described on the attached Schedule A on his/her property located at \_\_\_\_\_ within the service territory of Cooperative; and

WHEREAS, the subject generating facilities will utilize renewable resources as fuel and/or otherwise meet the qualification standards for 1) Qualifying Facilities (QF) established by the Federal Energy Regulatory Commission (FERC) in regulations at 18 C.F.R. Part 292 and in Docket No. RM79-54, Order No. 70 and/or 2) Alternative Energy Systems (AES) established by the Pennsylvania Alternative Energy Portfolio Standards Act of 2004 (Act 213); and

WHEREAS, the Generator wishes to generate electric energy for sale to Allegheny or for his/her own uses with sale of any excess energy to Allegheny; and

WHEREAS, the Cooperative and Allegheny, consistent with their policies of encouraging innovation in the energy field, are willing to interconnect and operate in parallel with the said AES/QF and, if required, to furnish parallel electric service to the Generator for the operation of his/her AES/QF and/or other uses;

NOW THEREFORE, Cooperative, Allegheny and the Generator agree as follows:

1. The Cooperative shall furnish electric service and supply the energy requirements of the Generator that are not supplied by the AES/QF in accordance with the rate schedule applicable to the Generator’s class of service as a member of the Cooperative.

2. The Cooperative shall credit an AES at the full retail rate for each kilowatt-hour produced by an AES installed on the member’s side of the electric revenue meter, up to a total amount of electricity used by the member during the billing

period. For AESs involved in virtual meter aggregation, a credit shall be applied first to the meter through which the Cooperative supplies electricity to the distribution system, then through the remaining meters for the AES's account equally at each meter's designated rate.

3. Allegheny shall purchase all power and energy delivered into the Cooperative's electric system by the Generator on the terms and conditions of Rate Schedule SPP, which is attached and made part of this Agreement by reference, as such Schedule may be modified by any revisions approved by Allegheny's Board of Directors.

4. The installation and operation of the AES/QF shall be in accordance with the policies, rules, regulations and applicable rate schedule, copies of which are attached and made part of this Agreement by reference, which from time to time may be modified or adopted by the Cooperative and/or Allegheny.

5. Prior to the installation of the AES/QF, the Generator shall submit his/her plans and specifications for the AES/QF to Cooperative for review to assure compliance with the Cooperative's rules, regulations and interconnection policy. Such review shall not be construed as permission to operate the facilities without written authorization from Cooperative after inspection of the completed facilities as hereinafter provided.

6. Prior to interconnection of the AES/QF, the Generator may notify Cooperative and the Cooperative shall inspect the facilities for compliance with the Cooperative's or Allegheny's rules, regulations and bylaws. Cooperative may inspect and test the operation of the AES/QF to assure the safety of the personnel of the Cooperative and the satisfactory operation of the AES/QF in parallel with the Cooperative's system before authorizing the operation of the AES/QF. Such inspection by the Cooperative shall not relieve the Generator from his/her responsibility to install, operate, and maintain the AES/QF in a safe and satisfactory manner. The above-described inspection does not impose any obligation upon the Cooperative or Allegheny to warrant or ensure in any manner the AES/QF's safety or compliance with this Agreement. Further, the Cooperative and Allegheny make no representations concerning, and expressly disclaim any expertise or specialized knowledge relating to the particular type of generation employed by the Generator or the equipment associated with such generation.

7. The Generator shall reimburse the Cooperative and Allegheny for their respective costs of providing additional facilities or modifying existing facilities,

including metering, required to interconnect with the AES/QF. Payment shall be due within 30 days of receipt of a statement thereof from the Cooperative and/or Allegheny. Said payment shall be received prior to physical interconnection of the facilities.

8. The Cooperative or Allegheny may at any time install or modify its equipment as it deems necessary to ensure the safety of its personnel and the satisfactory operation of its system, and/or the accuracy of its meter as a result of the operation of the AES/QF. The Generator shall reimburse the Cooperative or Allegheny for the total cost of such installation or modification within 30 days of receipt of a statement thereof from the Cooperative or Allegheny.

9. Authorized Cooperative or Allegheny personnel shall have the right to enter upon the Generator's property at any time for the purpose of inspecting the AES/QF and making additional tests to ensure the continued safe operation of the AES/QF and the accuracy of the meter. Such inspections shall not relieve the Generator from his/her obligation to install, operate, and maintain the AES/QF in a safe and satisfactory manner.

10. If, in the judgment of the Cooperative or Allegheny, the Generator has failed to maintain the AES/QF in satisfactory operating condition, the Cooperative or Allegheny may notify the Generator to disconnect the AES/QF from the Cooperative's system. If the Generator fails to immediately comply with such notice, the Cooperative may discontinue service to the Generator until the AES/QF is disconnected or restored to a satisfactory operating condition.

11. The Generator shall have the sole responsibility for the safety and electrical protection of his/her AES/QF, without regard to the condition of the Cooperative's or Allegheny's facilities.

12. The Generator agrees that he/she shall indemnify and hold harmless the Cooperative and Allegheny for any personal injuries to any person and/or damage to property of any type arising out of the existence, maintenance, or operation of the Generator's AES/QF, regardless of whether the injury or damage occurs on the Cooperative's and/or Allegheny's side of the interconnection point.

13. Except for residential consumer-members, the Generator shall procure and maintain the following liability insurance in the amounts stated:

- A. Bodily injury in the amount of \$1,000,000 or greater per occurrence.
- B. Property damage in the amount of \$1,000,000 or greater per occurrence.

The Cooperative and Allegheny shall be listed as Additional Named Insureds on the Policy and the Cooperative and Allegheny shall be given a minimum of twenty (20) days advance notice of cancellation or non-renewal of the Policy. Residential consumer-members that are AES/QF owners are strongly advised to maintain a current liability insurance policy adequate in amount to cover all forms of liability that may arise from the operation of the AES/QF interconnected to the Cooperative's electrical system. The policy should list the Cooperative and Allegheny as additional named insureds.

14. This Agreement shall become effective immediately upon the execution hereof and shall continue in effect until terminated by any party upon thirty (30) days written notice to the other parties. Termination shall require permanent disconnection of the AES/QF.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

ATTEST:

COOPERATIVE

\_\_\_\_\_

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

ATTEST:

GENERATOR

\_\_\_\_\_

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

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

Telephone No.: \_\_\_\_\_

ATTEST:

ALLEGHENY ELECTRIC COOPERATIVE, INC.

\_\_\_\_\_

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

## SCHEDULE A.

### Interconnection and Power Purchase Agreement

#### (Description of Installed Electric Generating Facilities)

The \_\_\_\_\_ (name of project) consists of a \_\_\_\_\_ kW, \_\_\_\_\_ (inverter or generator, if generator please denote whether it is an induction or synchronous generator) utilizing \_\_\_\_\_ (type of technology\*) technology and fueled by \_\_\_\_\_ (type or source of fuel\*\*). The \_\_\_\_\_ (inverter or generator) \_\_\_\_\_ is installed at \_\_\_\_\_ (physical location of inverter/generator on property) and has an output of \_\_\_\_\_ volts, which is (stepped up/stepped down to \_\_\_\_\_ volts by a \_\_\_\_\_ (type/size) transformer and fed or (fed) into the Generator's service panel. The control panel was designed and built by \_\_\_\_\_ (brand). The design drawings are as follows: (1) one line drawing \_\_\_\_\_ (reference number) and; (2) control panel detail \_\_\_\_\_ (reference number), issued \_\_\_\_\_ (date). These drawings are included with the attached Interconnection and Power Purchase Agreement.

The AES/QF site is located in \_\_\_\_\_ Township at \_\_\_\_\_ (Cooperative's name) and customer map location number \_\_\_\_\_. The mailing address and telephone number for the member/owner and operator of the generation facility is:

**Member Owner Name:** \_\_\_\_\_

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

P.O.

Box: \_\_\_\_\_

City/State/Zip Code: \_\_\_\_\_

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

**Operator Name:** \_\_\_\_\_

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

P.O. Box: \_\_\_\_\_

City/State/Zip Code: \_\_\_\_\_

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

\_\_\_\_\_ (name/title of cooperative staff) witnessed the final acceptance tests of the generation system on \_\_\_\_\_(date). \_\_\_\_\_ (Cooperative's name) will have access to the generation site at all times.

\* Types of Technology: solar/photovoltaic, hydroelectric, wind, fuel cell, anaerobic digestion or other.

\*\* Types of Fuels: Solar, wind, water, natural gas, bio-gas, methane, propane, waste coal or other.

Revised: 5-4-2011

**ALLEGHENY ELECTRIC COOPERATIVE, INC.**  
**EXHIBIT C – Small Power and Qualifying Facilities Purchases– Rate Schedule SPP**  
**Effective - January 1, 2020**

**AVAILABILITY:**

Available to any and all Alternative Energy Systems (AES) as defined by the Pennsylvania Alternative Energy Portfolio Standards Act of 2004 (Act 213), qualifying small power providing facilities under the New Jersey Electric Discount and Energy Competition Act (PL 1999, C.23) and Qualifying Facilities (QF) as defined under Section 201 and Small Power Production (SPP) facilities as defined under Section 204 of the Public Utility Regulatory Policies Act of 1978, as amended (PURPA), which receive electric service under existing retail tariffs from any of Allegheny Electric Cooperative, Inc.'s (Allegheny) 14 member distribution cooperatives (Members) located throughout Pennsylvania and New Jersey.

This Schedule applies to a QF which can be: (1) either a cogeneration facility that produces electric energy and steam or other forms of useful energy (such as heat) that is used for industrial, commercial or cooling purposes such as Combined Heat and Power (CHP) and has no size limitation for PURPA qualification; or (2) a SPP facility of 80 MW or less whose primary energy source is renewable (hydro, wind, solar, biomass, geothermal, biologically derived methane gas, coal-mine methane or fuel cell) resources.

**PROVISIONS:**

- A. In compliance with Section 210 of PURPA, Allegheny will purchase: (1) at Allegheny's Standard Avoided Cost Rate (as described in Section G), all excess energy (kWh) generated by an AES/QF which is not directly consumed by that AES/QF; or (2) transmit the output of the AES/QF across its and/or its Members' systems for purchase by third parties. The AES/QF will be required to install metering equipment, satisfactory to Allegheny, to demonstrate the amount of generation the AES/QF provided to Allegheny.
- B. If the AES/QF has an installed capacity greater than 100 kW, at the option of the AES/QF, Allegheny will purchase energy (kWh) at a price based on Allegheny's avoided energy costs and firm, controllable generating capacity (kW) based on actual avoided capacity costs as defined in Section F of this Schedule. The AES/QF will be required to demonstrate or otherwise financially guarantee that such capacity will be or was available during the period(s) defined by PJM for determining capacity credits or obligations. To qualify for compensation under this option, the AES/QF will be required to install metering equipment, satisfactory to Allegheny, to demonstrate the amount of generation the AES/QF provided to Allegheny during period(s) defined by PJM for determining capacity credits or obligations. If this option is requested, the AES/QF will be required to compensate Allegheny for any and all costs associated with the equipment necessary to determine the expected availability, timing (controllability) and magnitude of the furnished generation.
- C. At times when an AES/QF must purchase capacity, transmission, and associated energy from

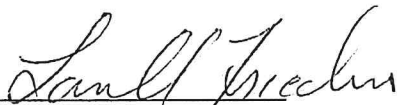
an Allegheny Member to supply its electrical requirements, all such retail transactions will be priced and conducted between the AES/QF and the Member which is interconnected with the AES/QF.

- D. Allegheny recognizes that it is in the best interest of its Members and the AES/QF that the Member determines all technical requirements and specifications that govern the connection of an AES/QF with its system. These technical requirements for interconnection are designed to assure the integrity and safe operation of the interconnected system while maintaining the quality and reliability of service to all consumer-members of the Member.
- E. Allegheny's avoided cost for capacity and energy provided by an AES/QF or in the alternative, the mutually agreed upon value of such products for longer term, firm supply arrangements, will be dependent upon and determined by, but not limited to, the following types of factors:
  - 1. The specific times of the day, month and year that the AES/QF operates and the level at which it operates.
  - 2. Allegheny's need for and price of capacity and energy during the times that the AES/QF operates.
  - 3. The specific Member delivery point to which the AES/QF is connected.
  - 4. Allegheny's specific power supply arrangements, including rate structure, for supplying the delivery point to which the AES/QF is connected.
- F. Capacity Payment: The monthly payment for capacity will be equal to the product of: (1) the average generation provided to Allegheny by the AES/QF during the period(s) defined by PJM for determining capacity obligations during the applicable planning period year as measured on the AES/QF meter required pursuant to Section B of this Schedule SPP; and (2) the applicable annualized PJM Auction capacity price divided by 12. This capacity payment definition will be updated periodically to address material changes to PJM capacity market rules.
- G. Standard Avoided Cost Rate: Allegheny will pay for energy output at an annually adjusted rate which reflects Allegheny's avoided energy and capacity costs.
- H. Renewable Energy Certificates: If the parties mutually agree that Allegheny will purchase the capacity and/or energy output of the AES/QF, then the value for all renewable energy or other certificates generated by the AES/QF facility may be included in the negotiated rate. Otherwise, the AES/QF will retain ownership of any such renewable energy or other certificates.
- I. No AES/QF, other generator or consumer-member of a Member may be compensated under this or a similar wholesale rate schedule of Allegheny if the AES/QF is also being compensated by PJM or another entity under a PJM or similar program for providing the same generation services during the same times.
- J. Allegheny will make direct payments to the AES/QF on a monthly basis or an otherwise mutually agreed upon longer period.



K. Any other considerations, payments, or responsibilities of either or both Parties are subject to the mutual agreement of the Parties.

This current Rate Schedule SPP was reviewed and approved by the Allegheny Board of Directors on October 30, 2019, and supersedes all previous versions.

  
Secretary

October 30, 2019

ALLEGHENY ELECTRIC COOPERATIVE, INC.  
212 Locust Street, P.O. Box 1266  
Harrisburg, PA 17108-1266