



AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF COGENERATION OR SMALL POWER PRODUCTION INSTALLATION 100KW OR LESS

CUSTOMER: _____ TELEPHONE: _____

PRODUCER'S GENERATING INSTALLATION: The generating installation to which this agreement applies is described as follows:

Type of Distributed Generation System: _____
Make: _____
Model: _____
Serial Number: _____
Fuel or Energy Source: _____
Operating Voltage: _____
Rated kW or Wattage: _____
Connection: Grid Tie
Installation Address: _____
Requested Date of Interconnection: _____

RECITALS

THIS AGREEMENT is entered into by and between Bryan Texas Utilities, ("BTU") and the above named customer ("Customer").

BTU owns and operates a municipal electric utility engaged in the generation, transmission and distribution of electricity serving the City of Bryan, Texas and portions of Brazos, Robertson and Burleson Counties, Texas; and

Customer intends to construct, own, operate, maintain and connect to BTU's electric distribution system, an on-site distributed generation facility with a maximum capacity of 100 kW (the "DG System").

The parties hereto wish to contract for the purchase and sale of the net electrical output from the distributed generation facility, and the terms of its interconnection with the BTU electric distribution system.

AGREEMENT

THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereby contract and agree with each other as follows:

- 1. This Agreement shall be effective as of the latter date of execution of the two parties (the "Effective Date") and, subject to the other terms of this Agreement, shall continue in effect for a period of one (1) year, and if not earlier terminated this Agreement will be extended automatically for periods of one (1) year. Either party may terminate the contract with a sixty (60) day written notice of termination to the other party. BTU also may terminate this Agreement by written notice immediately upon (a) the failure or breach of any covenant, warranty or representation given by Customer in this Agreement, or (b) a

material change, as determined by BTU in its sole discretion, in a rule or statute applicable to this Agreement.

2. Customer shall disconnect all Customer owned facilities which tie to BTU equipment upon the termination of this Agreement. After such termination and disconnection, Customer shall not reconnect any Customer facilities to BTU equipment unless Customer and BTU jointly have executed a separate Agreement for the Interconnection and Parallel Operation of Cogeneration or Small Power Production Installation.

3. The DG System will be installed at Customer's premises at the address specified above. The DG System shall not have a generation capacity greater than 100kW. Customer shall install, operate and maintain the DG System. The DG System shall be in full and faithful compliance with all applicable federal, state and local laws, ordinances, rules and regulations, and generally accepted industry codes and standards, including, but not limited to, the National Electrical Safety Code. Customer shall promptly notify BTU upon receipt of any citation or other official notice of alleged violation of law concerning the DG System.

4. Customer warrants and represents that:

- The nameplate rating, generation capacity, voltage and output current of the DG System are as specified above;
- when a DG System Power Conditioning Unit (also referred to as an "inverter") is installed as part of the system, photovoltaic modules and other electrical components and devices meet National Electric Code standards;
- The DG System has passed inspection by the building inspection department of the applicable municipality, county or other political subdivision having jurisdiction, and is compliant with all applicable building codes. The Customer is responsible for obtaining these inspections;
- All equipment used in the DG System and the interconnection with BTU's system has been pre-certified in accordance with PUC Substantive Rules §§ 25.211 and 25.212; and
- All permits, approvals, and/or licenses necessary for the installation or operation of the DG System will be obtained prior to its connection to BTU's electric system; the inverter is UL 1741 listed.

Customer shall provide to BTU, prior to Customer's connecting its facilities to BTU's electric system and from time to time during this Agreement as requested by BTU, manufacturer's data or other written proof acceptable to BTU, and any other information requested by BTU, to verify the accuracy of the foregoing warranties and representations. If any of foregoing warranties and representations should prove to be untrue, or if Customer fails to provide the information requested by BTU, BTU may, in addition to any another available right or remedy, immediately disconnect the DG System from BTU's electric system and terminate this Agreement.

5. BTU will purchase from Customer, and Customer will sell exclusively to BTU the Net Electrical Output made available to BTU at the point of delivery from the DG System. "Net Electrical Output" shall mean the total amount of electricity delivered into the BTU electric system by the DG System less the amount of electricity consumed by Customer as measured at the point of delivery. The point of delivery to BTU for electric power generated by the DG System shall be at the BTU meter. During the term of this Agreement, Customer shall exclusively purchase from BTU its requirements of electricity above the amounts generated by the DG System.

6. BTU shall measure the electricity flow between the DG System and BTU's electric system using BTU installed and owned metering equipment which measures both electricity delivered by the DG System into BTU's electric system and the electricity consumed by Customer from BTU's electric system. The metering equipment will therefore measure the Net Electrical Output of the DG System delivered to BTU, or if Customer's requirements of electricity exceed the amount generated by the DG System, the net amount of electricity being delivered by BTU to Customer. BTU shall read the metering equipment in

accordance with its normal meter reading schedule and procedures.

7. BTU shall pay Customer for the Net Electrical Output at BTU's avoided cost, i.e. the cost per kilowatt hour which, but for the purchase of electricity from the DG System, BTU would incur to purchase that amount of electricity from another source or generate such electricity itself. For determining the cost of generating such electricity itself, BTU's applicable fuel costs shall be the applicable fuel charge for the Customer for that billing period. At BTU's option, BTU will credit the value of all electricity purchased from the Customer's qualifying facility against the bill for service rendered following receipt of the Customer's meter reading for the billing period, or pay the Customer for all electricity purchased from the Customer's qualifying facility within thirty (30) days from receipt of the Customer's meter reading(s) for the billing period, when the amount equals or exceeds \$5.00. If in any billing period, Customer's electric load exceeds the output of the DG System such that Customer is a net purchaser of electricity from BTU, Customer shall pay for such electricity at the applicable rates and in accordance with the terms set forth in the Electric Service Agreement, Rate Schedules, and Rules and Regulations then in effect for electric service Customers in like circumstances. If, upon termination of this Agreement, a credit balance exists on Customer's electric utility account, BTU shall pay Customer the amount of such credit balance within thirty (30) days after termination.

8. Customer shall be solely responsible for the design, installation, operation, maintenance, and repair of the DG System and Customer's interconnection facilities. The interconnection of the DG System to BTU's electrical distribution system shall comply with BTU's ***Technical Requirements For Distributed Generation Interconnection for facilities under 100kW***, attached here to as Exhibit A. Customer shall supply BTU with the technical data and operating scheme of the DG System, preferably prior to Customer's purchase of the DG System, but in any event at a minimum of four (4) weeks prior to installation. BTU may inspect the DG System and the interconnection equipment after the requested date of interconnection. Prior to setting the meter, BTU will phase-in the service at the meter. BTU shall not be required to take or pay for any electricity generated by the DG System until the DG System successfully passes BTU's field inspection and Customer shall have reimbursed BTU for all its interconnection costs.

9. **Customer shall be responsible for the costs of the interconnection facility and shall pay all interconnection costs of BTU. These costs shall include without limitation the cost to install all necessary facilities at the time of interconnection or at some future time, and for any system protection facilities which, in BTU's sole opinion, may be required or prudent in order to interconnect with the DG System and protect the BTU electric system due to electricity flow from Customer's equipment into the BTU system.** BTU shall provide to Customer a completed Cost Sheet substantially in the form attached hereto as Exhibit B that estimates the costs involved in providing the interconnection after Customer provides BTU with all service plans, a list of DG System equipment, and the proposed operating scheme.

10. BTU shall not be obligated to accept, and shall have the right to require Customer to temporarily curtail, interrupt, or reduce customer generation and deliveries of electricity in order to construct, install, maintain, repair, replace, remove, investigate, inspect, or test any part of BTU's interconnection facilities, equipment, or any other part of BTU's electric system. BTU may disconnect, without notice, the DG System from the electric distribution system, if, in BTU's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, BTU's facilities or other customers' facilities from damage or interference caused by Customer's DG System or lack of properly operating protective devices.

11. Customer hereby grants BTU access on and across its property to inspect the DG System and the interconnection equipment, to read or test meters and metering equipment, to operate, maintain and repair BTU's facilities and to disconnect the DG system from BTU's electric system, as outlined in paragraph 10 above. No inspection by BTU of the DG System or the interconnection facilities shall impose on BTU any liability or responsibility for the operation, safety or maintenance of the DG System or Customer's interconnection facilities.

12. Any renewable energy credits associated with the DG System granted pursuant to the PUC program contained in PUC Substantive Rule § 25.173 or any similar or successor program (“**RECs**”) shall be and are the sole property of BTU, and Customer hereby grants all of its right, title and interest to any current or future RECs associated with the DG System to BTU. BTU shall install and own the metering equipment necessary to measure the amount of electricity generated by the DG System. BTU shall read the metering equipment in accordance with its normal meter reading schedule and procedures.

13. CUSTOMER SHALL INDEMNIFY, DEFEND AND SAVE HARMLESS BTU, ITS ELECTED AND NON-ELECTED OFFICIALS, OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DAMAGES, ACTIONS, SUITS OR DEMANDS FOR DAMAGES (INCLUDING COSTS AND ATTORNEY’S FEES, BOTH AT TRIAL AND ON APPEAL) ARISING OUT OF, RESULTING FROM, OR IN ANY MANNER CONNECTED WITH THE BREACH OF ANY COVENANT, WARRANTY OR REPRESENTATION MADE BY CUSTOMER IN THIS AGREEMENT, OR IN ANY MANNER CONNECTED WITH THE DESIGN, CONSTRUCTION, OPERATION, MAINTENANCE OR REPAIR OF ANY PART OF CUSTOMER’S DG SYSTEM OR INTERCONNECTION FACILITIES, INCLUDING, WITHOUT LIMITATION LOSSES, CLAIMS, DAMAGES, ACTIONS, SUITS OR DEMANDS FOR DAMAGES FOR OR ON ACCOUNT OF PERSONAL INJURY TO, OR DEATH OF, ANY PERSON, OR DAMAGE TO, OR DESTRUCTION OR LOSS OF, PROPERTY BELONGING TO CUSTOMER, BTU OR ANY THIRD PERSON.

14. A material failure of either party to fully, faithfully and timely perform its obligations under this Agreement shall be a breach of this Agreement. In the event of a breach which is not cured within thirty (30) days after receipt of written notice by the party in default, the party not in default immediately may terminate this Agreement. If Customer fails to make any payment due hereunder, or is otherwise in breach of this Agreement, and such breach continues for thirty (30) days after receipt of written demand from BTU, BTU immediately may disconnect the DG System or otherwise suspend taking electricity from Customer. If the service is disconnected for any reason, prior to reconnection Customer is responsible for all changes necessary to bring the equipment service up to standards set forth and/or referred to in this DG Agreement, including without limitation the requirement that Customer obtain any necessary permits or inspections for Customer equipment. All rights granted under this section are in addition to all other rights or remedies available at law or under this Agreement or the applicable BTU Electric Service Agreement, Rate Schedules and Rules and Regulations in effect.

15. This Agreement shall inure to the benefit of and be binding upon the heirs, successors, or permitted assigns of each of the parties hereto. Customer may not assign this Agreement without the prior written consent of BTU, which consent may be withheld in BTU’s sole discretion. Any assignment without such consent shall be null and void. This contract is non-transferable to subsequent owners or tenants of the property and/or facility covered by this Agreement.

16. This Agreement constitutes the entire agreement and understanding between the parties hereto and can be amended only by agreement between the parties in writing. In the event any provision of this Agreement, or any part or portion thereof, shall be held to be invalid, void or otherwise unenforceable, such unenforceable provision shall have no effect on the remaining provisions of this Agreement and shall be enforced to the maximum extent allowed by law.

17. 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 provision or the relinquishment of any such right or any other right hereunder.

18. This Agreement and all disputes arising hereunder shall be governed by the laws of the State of Texas. Venue for all such disputes shall be proper and lie exclusively in Brazos County, Texas.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused their names to appear below, signed by their authorized representatives.

BTU

CUSTOMER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____