

FOR SRP PURPOSES:

- 50 kW or less.
- Greater than 50 kW but less than or equal to 300 kW.
- Greater than 300 kW and less than 1MW.

SRP Distribution Interconnection Agreement



DISTRIBUTION INTERCONNECTION AGREEMENT

PARTIES

This Distribution Interconnection Agreement (“*Agreement*”) is entered into by and between {company_or_full_name: Property Owner} (“*Customer*”) and Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona (“*SRP*”). Customer and SRP may each be referred to this Agreement as a “*Party*.”

RECITALS

- A. Customer intends to install, or cause to be installed, at the metered location {address: Customer of Record} (the “*Premises*”), a Distributed Energy Resource Facility (the “*DER Facility*”).
- B. Customer has requested to interconnect the DER Facility to the SRP Distribution System.
- C. SRP requires that all Interconnection Customers sign a Distribution Interconnection Agreement, and meet all SRP interconnection requirements, prior to operating Distributed Energy Resource Facilities in parallel with the SRP Distribution System.
- D. This Agreement governs the terms and conditions under which the DER Facility will interconnect, and operate in parallel, with the SRP Distribution System.

AGREEMENT

In consideration of the Parties’ mutual promises, undertakings, and agreements, the Parties agree as follows:

- 1.0 Definitions; Interpretation.** In this Agreement: (a) capitalized terms have the meanings specified in Appendix A attached hereto and incorporated herein by this reference; (b) a reference to a number of days refers to calendar days; (c) words using the singular or plural number also include the plural or singular number, respectively; and (d) use of the words “include” or “including” or similar words shall be interpreted as “include, without limitation” or “including, without limitation.”
- 2.0 Facility Power Rating.** The DER Facility may not exceed a power rating of {data: Total Generation Capacity kW AC v2} (kW AC).
- 3.0 Effective Date, Term and Termination.** This Agreement will become effective (the “*Effective Date*”), on the date on which each of the following conditions are satisfied: 1) as of the last date set forth beneath the Parties’ signatures below and 2) the DER Facility is commissioned and interconnected to the SRP Distribution System, and will remain in effect unless and until terminated by mutual agreement of the Parties, or as provided for in this Section 3.0.
 - 3.1** SRP may terminate this Agreement by written notice to Customer if Customer fails to perform any of its obligations under this Agreement, which failure continues for thirty (30) days after receipt of written notice from SRP specifying the failure. If, however, due to the nature of the failure to perform, it cannot reasonably be cured within that 30-day period, Customer will have an additional period of time, not to exceed an additional thirty (30) days, in which to cure the failure, so long as Customer has commenced the cure within the initial 30-day period and is thereafter diligently pursuing it to completion.

- 3.2 Customer may terminate this Agreement, effective as of the date on which the DER Facility permanently ceases operation, by delivering at least thirty (30) days' advance written notice to SRP.
- 3.3 Upon any termination of this Agreement, Customer must, at its sole expense, cause the DER Facility to be disconnected from the SRP Distribution System. Customer's obligation under this Section 3.3 will survive the termination of this Agreement.
- 3.4 Upon termination of this Agreement, each Party will be released and discharged from any further liability or obligation under this Agreement, except for the obligations to perform any provision of this Agreement that by its terms survives any such termination, and any obligations that arise upon termination.
- 4.0 Transfer of Premises - Notice to Subsequent Owner.** If Customer intends to sell or otherwise transfer ownership of the Premises (including the DER Facility), then prior to the effective date of the transfer, Customer must notify the prospective transferee that, as a condition of receiving electric service from SRP, and in order to interconnect with the SRP Distribution System and to receive any buyback service benefits (if applicable), the purchaser must sign SRP's then-current version of the applicable Distribution Interconnection Agreement.
- 5.0 Customer's General Obligations.** Customer will be responsible, at its sole expense, for performing, or causing to be performed, all obligations of Customer in this Agreement, whether the DER Facility is designed, installed, owned or operated by Customer or by a third party.
- 5.1 Prior to the installation of the DER Facility, Customer must submit, or cause to be submitted, to SRP the plans for the design and installation of the DER Facility, to enable SRP to evaluate compliance with the SRP Terms and Requirements, the DER Facility's compatibility with the SRP Distribution System, and any potential impact of the DER Facility on the reliability, integrity, or safe operation and maintenance of the SRP Distribution System.
- 5.2 Customer must fully comply, and cause its contractors to fully comply, with all of the following SRP documents, as the same may be amended, supplemented or superseded from time to time (collectively, the "***SRP Terms and Requirements***"), all of which are adopted and incorporated as part of this Agreement: (a) SRP's Rules and Regulations and any other terms of SRP service; (b) Electric Service Specifications; (c) Technical Requirements for Generating Facilities Interconnecting to the Distribution System; and (d) applicable Standard Electric Price Plans and Riders. All SRP Terms and Requirements are available at SRP's principal office, as well as at SRP's website, www.srpnet.com.
- 5.3 Customer will be solely responsible for all legal and financial obligations arising from or in connection with the ownership, design, construction, installation, operation, maintenance, and removal of the DER Facility.
- 5.4 Except to the extent any of the following are recovered by SRP under the Standard Electric Price Plan and Rider(s) or other pricing documents applicable to Customer, Customer will pay SRP for all of SRP's costs and expenses (including administrative costs) arising from or in connection with the commissioning, interconnection, reconfiguration, modification, or disconnection of the DER Facility, including the costs of any of the following: technical study work; additions, modifications, or upgrades to the SRP Distribution System; telemetry; metering; and design review, inspections, and testing.
- 5.5 Customer must, at its own expense, obtain and maintain all permits, inspections and approvals required by applicable jurisdictions with respect to the DER Facility and must use a licensed, bonded and insured contractor to design and install the DER Facility. Unless approved in writing by SRP, Customer shall not install any equipment or device as part of the DER Facility that is not Underwriters Laboratories Inc. certified.
- 5.6 Customer must operate and maintain the DER Facility and all other Customer-owned equipment on the Customer's side of the Point of Interconnection in good repair and will be solely

responsible for the protection of the DER Facility from electrical events originating on either side of the Point of Interconnection.

- 5.7 Customer represents and warrants that it will not purchase energy produced by the DER Facility from a third party and that initial title to the energy produced by the DER Facility immediately vests with Customer. Customer also represents and warrants that it will not sell energy produced by the DER Facility to a third party.

6.0 SRP Right of Access and Inspection of Documents and DER Facility.

- 6.1 SRP may, in its sole and absolute discretion, review all information, plans, specifications, designs, and test results relating to the DER Facility. SRP assumes no responsibility for identifying, or advising Customer or any third party with respect to, any defects or deficiencies in or with respect to the DER Facility or any plans, specifications, or other materials in connection therewith.
- 6.2 Customer hereby grants SRP's employees, contractors, and agents the right of access to the Premises at all times for emergency operation or repair of SRP's equipment and related facilities, and at all other reasonable times for such purposes as installing, constructing, modifying, testing and maintaining SRP's equipment and related facilities. SRP reserves the right to inspect the DER Facility at any time, in its sole and absolute discretion, upon reasonable notice (if practical) to Customer. If SRP has reason to believe that operation of the DER Facility poses a risk to the SRP Distribution System, SRP's personnel or the general public, SRP may require Customer to test the DER Facility and provide SRP the results in writing, irrespective of periodic testing of equipment that may be required or has been completed.
- 6.3 Customer may not operate the DER Facility in parallel with the SRP Distribution System until SRP has conducted witness testing of the DER Facility and Customer's electrical system and confirmed to Customer that the test results are satisfactory.

- 7.0 SRP Right to Require Customer to Disconnect DER Facility from SRP Distribution System.** SRP has no obligation to allow interconnection of the DER Facility or to accept energy from Customer. SRP, in its sole and absolute discretion, may require Customer to disconnect the DER Facility from the SRP Distribution System, or interrupt or reduce deliveries of energy to SRP: (a) when necessary to investigate, inspect, construct, install, maintain, repair, replace or remove any SRP equipment, any part of the SRP Distribution System, or the DER Facility; (b) because of emergencies, forced outages, uncontrollable forces or compliance with prudent electrical practice; or (c) when Customer is in breach of any of its obligations under this Agreement. If SRP requires any disconnection, interruption, or reduction under this Section, Customer may not reconnect the DER Facility, or end the reduction or interruption, until SRP notifies Customer that the preceding conditions (a), (b) and/or (c) have/has been corrected.

- 8.0 SRP Right to Disconnect DER Facility from SRP Distribution System.** Notwithstanding any other provision of this Agreement, SRP may disconnect the DER Facility from the SRP Distribution System if SRP, in its sole and absolute discretion, determines that continued operation of the DER Facility may (a) endanger SRP personnel or the general public, or (b) impair the integrity of the SRP Distribution System. If SRP disconnects the DER Facility under this Section, it must remain disconnected until SRP notifies Customer that the preceding conditions (a) and/or (b) have/has been corrected. SRP will have no obligation to compensate Customer in any respect during any period when the DER Facility is operating at reduced capacity or is disconnected from the SRP Distribution System.

- 9.0 Delivery of Energy.** This Agreement does not provide for the sale or delivery of power or energy, nor does it govern Customer's participation in any other SRP program. Without limiting the foregoing, nothing in this Agreement will be deemed to obligate SRP to accept from Customer, or to compensate Customer for, any energy delivered to SRP. If and to the extent SRP agrees to accept any energy delivered to it, such delivery, and any compensation payable therefor, will be in accordance with the Standard Electric Price Plan and Rider(s) or other pricing documents applicable to Customer from time to time.

10.0 Liability and Damages.

- 10.1 SRP MAKES NO REPRESENTATIONS AND PROVIDES NO WARRANTY OR GUARANTY (EXPRESS OR IMPLIED) WITH RESPECT TO THE DESIGN, INSTALLATION, SAFETY, USE, PERFORMANCE, DURABILITY, EFFECTIVENESS, OR TECHNICAL FEASIBILITY OF THE DER FACILITY OR ANY RELATED EQUIPMENT. ALL SUCH WARRANTIES ARE EXPRESSLY DISCLAIMED. SRP'S TESTING OF THE DER FACILITY AND REVIEW OF ANY PLANS, SPECIFICATIONS, DESIGNS, AND TEST RESULTS OF OR WITH RESPECT TO THE DER FACILITY ARE FOR SRP'S PURPOSES ONLY, AND SHALL NOT BE CONSTRUED AS CONFIRMING OR ENDORSING THE DESIGN OF, OR AS ANY WARRANTY WITH RESPECT TO, THE DER FACILITY. SRP SHALL NOT BE LIABLE FOR ANY STATEMENT, REPRESENTATION, PROMISE, INDUCEMENT, OR UNDERSTANDING OF ANY KIND THAT IS NOT EXPRESSLY SET FORTH IN THIS AGREEMENT. SRP WILL HAVE NO LIABILITY FOR OR IN CONNECTION WITH ANY EQUIPMENT INSTALLED BY, OR FOR ANY ACT OR OMISSION OF, ANY OTHER ENTITY OR INDIVIDUAL, INCLUDING ANY EQUIPMENT MANUFACTURER, ELECTRICIAN, TECHNICIAN, OR OTHER SERVICE PROVIDER.
- 10.2 To the fullest extent permitted by law, neither SRP nor any of its directors, officers, members, partners, agents, and employees, or their respective predecessors, successors or assigns (collectively, the "**SRP Parties**") will be liable to Customer or its directors, officers, members, partners, agents, employees, volunteers, contractors, shareholders, or trustees, or their respective predecessors, heirs, successors or assigns, or their respective insurers, for any incidental, indirect, speculative, consequential, exemplary, punitive or special damages whatsoever, including lost profits, loss of revenue, production losses, production delays, loss of the use of equipment, cost of capital, cost of temporary equipment or services, or any and all other non-direct damages or losses arising from this Agreement or any of the actions or transactions provided for in this Agreement, even if SRP is advised of the possibility thereof, and irrespective of whether such claims are based upon breach of warranty, tort (including negligence, whether of Customer, SRP or others), strict liability, contracts, operation of law, or otherwise. Customer hereby releases SRP and the SRP Parties from any such damages.
- 11.0 Customer Indemnification.** To the fullest extent permitted by law, Customer shall indemnify, defend and hold harmless SRP and the SRP Parties for, from and against any and all liabilities, claims, damages, losses, penalties, litigation, demands, causes of action (whether in tort or contract, in law or at equity or otherwise), suits, proceedings, judgments, disbursements, charges, assessments, and expenses (including attorneys' and experts' fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) (each, a "**Claim**"), whether direct, indirect or consequential, related to, arising from, or in any way connected with: (a) the design, construction, installation, inspection, maintenance, testing or operation of the DER Facility or equipment used in connection with this Agreement; (b) the interconnection of the DER Facility with the SRP Distribution System; (c) the delivery of energy from the DER Facility to the SRP Distribution System; or (d) the performance or nonperformance of Customer's obligations under this Agreement. Interconnection Customer's obligations under this Section 11 shall extend to indemnify, defend, and hold harmless the SRP Parties where SRP or any of the SRP Parties are allegedly concurrently negligent in causing or contributing to the Claim, but shall not extend to any liability that has been judicially determined to have been caused by the sole negligence or intentional misconduct of SRP or the SRP Parties. It is the intent of SRP and Customer that SRP will, in all instances except for loss or damage resulting from SRP's sole negligence, be indemnified against all liability, loss, or damage of any nature whatsoever for or on account of any injuries or death of person(s) or damages to or destruction of property belonging to any person arising out of, or in any way connected with, this Agreement or the DER Facility. Customer's obligations under this Section will survive the termination of this Agreement.
- 12.0 Customer Acknowledgements.** Customer acknowledges that all SRP Terms and Requirements (including prices) are subject to change. Changes to the SRP Terms and Requirements may, among other things, increase or decrease the costs or value of, and any potential savings achieved by, the DER Facility. Customer will be responsible for the payment of any increased prices and fees applicable to Customer as a result of any changes to the SRP Terms and Requirements. In choosing to install the DER Facility,

Customer is relying solely on its own judgment and the representations of third parties not affiliated with SRP. SRP does not endorse, and is not bound by, any third party's representations, warranties, promises, or other statements, including any projections concerning electricity prices. Customer understands, and has taken into consideration, that many factors (including changes to the SRP Terms and Requirements) may change the financial and other benefits of the DER Facility. SRP does not make any promises concerning future changes to its prices or the economics of Customer's purchase, lease, construction, installation, or use of the DER Facility.

13.0 General Terms and Conditions. This Agreement shall be interpreted, governed by, and construed in accordance with the substantive and procedural laws of the State of Arizona, without regard to conflicts of law principles. Any action, suit, or proceeding arising out of or relating to this Agreement shall be initiated and prosecuted in a state or federal court of competent jurisdiction located in Maricopa County, Arizona, and the Parties irrevocably submit to the jurisdiction and venue of such court. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO A TRIAL BY JURY AND COVENANTS AND AGREES THAT IT WILL NOT REQUEST A TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT. None of the provisions of this Agreement will be considered waived by either Party except when such waiver is given in writing. No waiver by either Party of any one or more defaults in the performance of the provisions of this Agreement will operate or be construed as a waiver of any other existing or future default or defaults. If any one or more of the provisions of this Agreement or the applicability of any provision to a specific situation is held by a court of competent jurisdiction to be invalid or unenforceable, the provision will be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Agreement and all other applications of such provisions will not be affected by any such invalidity or unenforceability. Upon its Effective Date, this Agreement supersedes all prior agreements or commitments for interconnection between the Parties for the Point of Interconnection. This Agreement may not be amended except by a written instrument executed by the Parties. Customer may not assign this Agreement or any of its rights and obligations hereunder without SRP's prior written consent, and any purported assignment without SRP's consent will be deemed void. This Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which, when taken together, will constitute one and the same instrument. This Agreement may be executed using an electronic or digital signature. Electronic copies of signatures will be deemed effective as originals.

Customer understands and agrees to all terms and conditions of this Agreement. The undersigned represents and warrants that he or she has the authority to sign this Agreement on behalf of Customer.

Customer

Authorized Signature: _____
Printed Name: {full name: Property Owner}
Title: {data: Title of Authorized Signatory}
Date: _____

SRP

Name: _____
Printed Name: {full name: Administrator}
Title: Distributed Energy Programs Manager
Date: _____

APPENDIX A

DEFINITIONS

“**Agreement**” has the meaning set forth in the preamble.

“**Behind the Meter Generation (BTMG)**” means a generating unit or multiple generating units at a single location, of any nameplate size, on the Interconnection Customer’s side of the retail meter that serve(s) all or part of the Interconnection Customer’s retail load with electric energy. All electrical equipment from and including the generation set up to the metering point is considered to be behind the meter.

“**Claim**” has the meaning set forth in Section 11.0.

“**Cogeneration Facility**” has the meaning given that term in SRP’s Rules and Regulations.

“**Customer**” has the meaning set forth in the preamble.

“**DER Aggregation**” means a virtual resource formed by aggregating multiple DG, BTMG, or ES Facility at different points of interconnection on the distribution system.

“**DER Facility**” has the meaning set forth in the Recitals.

“**Distributed Energy Resource Facility**” means any device interconnected to the SRP Distribution System, and includes any Distributed Generation, Behind the Meter Generation, Energy Storage Facility, DER Aggregation, Micro-grid, Cogeneration Facility, or Emergency, Stand-by, or Back-Up Generation Facility.

“**Distributed Generation (DG)**” means any electricity generating technology installed by an Interconnection Customer or independent electricity producer that is connected at the distribution system level of the SRP Distribution System.

“**Effective Date**” has the meaning given that term in Section 3.0.

“**Emergency, Stand-by, or Back-Up Generation Facility**” means a generating unit, regardless of size, that serves in times of emergency at locations and by providing the Interconnection Customer or distribution system needs.

“**Energy Storage (ES) Facility**” means an energy storage device or multiple devices at a single location, on either the utility side or the Interconnection Customer’s side of the retail meter.

“**Interconnection Customer**” means a person or entity that interconnects a Distributed Energy Resource Facility for operation in parallel with the SRP Distribution System.

“**Micro-grid**” means an aggregation of multiple Distributed Energy Resource Facilities behind the Interconnection Customer’s meter at a single Point of Interconnection that has the capability to island.

“**Party**” has the meaning set forth in the preamble.

“**Point of Interconnection**” has the meaning given that term in the Technical Requirements for Generating Facilities Interconnecting to the Distribution System.

“**Premises**” has the meaning set forth in the Recitals.

“**SRP**” has the meaning given that term in the preamble.

“**SRP Distribution System**” means SRP’s facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels for facilities and equipment comprising the SRP Distribution System are less than 69kV.

“**SRP Parties**” has the meaning given that term in Section 10.2.

“**SRP’s Rules and Regulations**” means the Rules and Regulations that have been adopted by SRP pursuant to A.R.S. § 48-2301, et seq., § 30-801, et seq. and other pertinent authority, as in effect from time to time.

“**SRP Terms and Requirements**” has the meaning given that term in Section 5.2.