

# **NorthWestern Energy**

## **INTERCONNECTION AGREEMENT**

### **FOR CUSTOMER-OWNED, GRID-CONNECTED**

### **ELECTRIC GENERATING FACILITIES**

### **OF**

### **50 KILOWATTS OR LESS PEAK GENERATING CAPACITY**

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EXHIBIT A

2 Pages

## NET METERING AGREEMENT

This Interconnection Agreement for Net Energy Metering (“Agreement”) is entered into by and between \_\_\_\_\_ (“Customer”), and NorthWestern Energy (NWE) sometimes also referred to in this Agreement jointly as “Parties” or individually as “Party.”

### 1. APPLICABILITY

This Agreement is applicable only to distribution customers of NWE who are utility customers in good standing.

### 2. DESCRIPTION OF CUSTOMER’S SOLAR, WIND, HYDROELECTRIC OR FUEL CELL ELECTRIC GENERATING FACILITY (CUSTOMER FACILITY)

2.1 Customer has elected to interconnect and operate its electric generating facility (Customer Facility) in parallel with NWE’s Montana electric distribution system.

2.2 Customer Facility will be built with the following ratings, which shall not be changed without 30 days advance notice to NWE according to the notice requirements herein:

Photovoltaic/Solar (“PV”) Array Rating: \_\_\_\_\_ KW

Wind Turbine (WT) Rating: \_\_\_\_\_ KW

Hydroelectric Turbine (HT) Rating: \_\_\_\_\_ KW

Fuel Cell (FC) Rating: \_\_\_\_\_ KW

2.3 Customer Facility Location:

\_\_\_\_\_  
\_\_\_\_\_

(Street Address, City, State, Zip)

2.4 Customer’s NWE Electric Account Number: \_\_\_\_\_

2.5 Customer Facility will be ready for operation on or about: \_\_\_\_\_  
(date)

### 3. INTERRUPTION OR REDUCTION OF DELIVERIES

3.1 NWE shall not be obligated to accept or pay for and may require Customer to interrupt or reduce deliveries of available energy (a) when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or part of its system, or (b) if it determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outages, force majeure, or compliance with prudent electrical practices.

- 3.2 Whenever possible, NWE shall give Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required.
- 3.3 Notwithstanding any other provision of this Agreement, if at any time NWE determines that either (a) the Customer Facility, or its operation, may endanger NorthWestern Energy personnel, or (b) the continued operation of Customer Facility may endanger the integrity of NorthWestern Energy's electric system, NWE shall have the right to disconnect Customer Facility from NorthWestern Energy's system. Customer Facility shall remain disconnected until such time as NorthWestern Energy is satisfied that the condition(s) referenced in (a) or (b) of this Section 3.3 have been corrected.

#### 4. INTERCONNECTION

- 4.1 Customer shall deliver the available energy to NWE at the meter located on the Customer's premises.
- 4.2 Customer shall not commence parallel operation of the Customer Facility until written approval has been provided to it by NWE. NWE shall provide such written approval and shall install the required meter within ten (10) working days from NWE's final inspection of the Customer Facility. Such approval shall not be unreasonably withheld.
- 4.3 Customer shall bear all costs for any meter installation, inspection by NWE, and any costs for unusual metering required. Customer may be required to pay meter reading costs. NWE will invoice Customer who is responsible for payment within thirty (30) days of receipt of invoice.

#### 5. DESIGN REQUIREMENTS

- 5.1 Customer shall be responsible for the design, installation, operation, and maintenance of the Customer Facility and shall obtain and maintain any required governmental authorizations and/or permits.
- 5.2 Customer shall comply with the requirements of the NWE Net Metering Requirements for Grid Connection of Renewable Resources (attached hereto as Exhibit A) and the NWE Electric Service Requirements and Guidelines (provided upon request).

#### 6. MAINTENANCE AND PERMITS

Customer shall (a) maintain the generator and interconnection facilities in a safe and prudent manner and in conformance with all applicable laws and regulations including, but not limited to Section 5, and (b) obtain any governmental authorizations and permits required for the construction and operation of the generator and interconnection facilities. Customer shall reimburse NWE for any and all losses, damages, claims, penalties, or liability it incurs as a result of Customer's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of Customer Facility.

7. ACCESS TO PREMISES

NWE may enter Customer's premises (a) to inspect, at reasonable hours, Customer's protective devices and read or test meters, and (b) to disconnect, without notice, the interconnection facilities if, in NWE's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or NWE's facilities, or property of others from damage or interference caused by Customer's renewable source energy generation facilities, or lack of properly operating protective devices.

8. RENEWABLE ENERGY CERTIFICATES

Renewable Energy Certificates (RECs) or Green Tag Credits (GTCs) are marketable environmental attributes of electric energy generated using renewable fuel sources. NWE is solely responsible to apply and qualify for, and shall have the right to receive, the benefits of any and all RECs or GTCs created or granted as a result of the net metering arrangement with Customer.

9. INDEMNITY AND LIABILITY

- 9.1 Each Party shall defend, hold harmless, and indemnify the other Party and the directors, officers, employees, and agents of the other Party against and from any and all loss, liability, damage, claim, cost, charge, demand, or expense (including any direct, indirect or consequential loss, liability, damage, claim, cost, charge, demand, or expense, including attorneys' fees) for injury or death to persons, including employees of either Party, and damage to property, including property of either Party, arising out of or in connection with (a) the engineering, design, construction, maintenance, repair, operation, supervision, inspection, testing, protection or ownership of the Party's facilities, or (b) the making of replacements, additions, improvements to, or reconstruction of the Party's facilities, provided, however, Customer's duty to indemnify NWE hereunder shall not extend to loss, liability, damage, claim, cost, charge, demand, or expense resulting from interruptions in electrical service to NWE's customers other than Customer. This indemnity shall apply notwithstanding the active or passive negligence of the indemnitee. However, neither Party shall be indemnified hereunder for its loss, liability, damage, claim, cost, charge, demand, or expense resulting from its sole negligence or willful misconduct.
- 9.2 Notwithstanding the indemnity of Section 8.1, and except for a Party's willful misconduct or sole negligence, each Party shall be responsible for damage to its own facilities resulting from electrical disturbances or faults.
- 9.3 The provisions of this Section 8 shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.

9.4 Except as otherwise provided in Section 8.1 neither Party shall be liable to the other Party for consequential damages incurred by that Party.

10. INSURANCE (OPTIONAL)

Customer understands that the installation, operation and/or ownership of the Customer Facility may result in potential liabilities arising from property damage or personal injury as described in Section 8. Customer shall not be required to purchase or maintain property insurance and comprehensive personal liability insurance to protect Customer against such potential liabilities. However, Customer understands that property insurance and comprehensive personal liability insurance may provide protection against such potential liabilities. Accordingly, Customer is encouraged to explore with insurers the extent to which existing or additional insurance policies may protect against the potential liabilities associated with the installation, operation and/or ownership of the Customer Facility.

11. GOVERNING LAW

This Agreement shall be interpreted, governed, and construed under the laws of the State of Montana as if executed and to be performed wholly within the State of Montana.

12. AMENDMENTS, MODIFICATIONS OR WAIVER

Any amendments or modifications to this Agreement shall be in writing and agreed to by both Parties. The failure of any Party at any time to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any Party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, shall be deemed to be construed as a further or continuing waiver of any such breach or a waiver of the breach of any other term or covenant unless such waiver is in writing.

13. NOTICES

Any notice required under this Agreement shall be in writing and mailed or personally delivered to the Party at the address below. Written notice of any address changes shall be provided. All written notices shall refer to the Customer's NWE Electric Account Number, as set forth in Section 2.5 of this Agreement. All written notices shall be directed as follows:

Attn: David N. Ryan  
NorthWestern Energy  
40 East Broadway  
Butte, MT. 59701

14. TERM OF AGREEMENT/TERMINATION

This Agreement shall become effective as of the last date set forth in Section 14 and shall continue in full force and effect until terminated by Customer by providing 30-days prior written notice to the other Party in accordance with Section 12. This Agreement may be terminated prior to 30 days by agreement of both Parties. NWE may terminate this Agreement for nonpayment according to its tariffs and the Montana Public Service Commission Rules and Regulations. NWE reserves the right to renegotiate this agreement at any time.

15. SIGNATURES

The Parties to this Agreement hereby agree to have two originals of this Agreement executed by their duly authorized representatives. This Agreement is effective as of the latter of the two dates set forth below.

<b>CUSTOMER</b>		<b>THE MONTANA POWER COMPANY</b>	
Signature		By:	
Name:		Name:	
Title:		Title:	
Date:		Date:	

## Exhibit A

### **Net Metering Requirements for Grid Connection of Renewable Resources**

NorthWestern Energy (NWE) Montana customer owned generation may be interconnected to NWE's distribution system using a technique known as "Net Metering". A net metering system is one which: 1. Uses as its fuel renewable resources; defined to be solar, wind or hydropower, or other generation system pre-approved by the utility. 2. Has a generating capacity of not more than 50 (fifty) kilowatts. 3. Is located on the customer-generator's premises. 4. Operates in parallel with the NWE distribution system. 5. Is intended primarily to offset part or all of the customer-generator's requirements for electricity at the specific site where the generation is installed. Parallel generation is covered in the NWE Electric Service Requirements and Guidelines section 7.08. Systems generating more than 50 kilowatts will be handled on an individual basis and will require a special contract between the customer and the utility.

Any net metered system interconnected with NWE's distribution system is expected to use NWE's distribution system for backup power, and so shall not employ any non-renewable resource to provide power, e.g. propane fired engine generator. These types of generator interconnections are addressed in the NWE Electric Service requirements and Guidelines section 7.07.

These requirements are designed to ensure that the generating facility will meet the utility's safety and power quality requirements. In particular, the requirements are designed to prevent back-feeding of power from the generating facility to the utility grid during power outages, and to match the utility's own power characteristics with respect to voltage and frequency.

#### Requirements:

1. The generating facility shall be metered with a NorthWestern Energy utility installed meter.
2. Any direct current (DC) generating facility shall be interconnected to the NorthWestern Energy utility system through a static inverter that complies with the following requirements:
  - Institute of Electrical and Electronics Engineers (IEEE) standard 929, "Recommended Practice for Utility Interface of Photovoltaic (PV) Systems."
  - Underwriters Laboratories (UL) Subject 1741, "Standard for Static Inverters and Charge Controllers for Use in Photovoltaic Power Systems"



3. Any alternating current (AC) generating facility interconnected to the NorthWestern Energy utility system shall employ a controller which will disconnect the generator if the power generated is over 60.03 Hz and under 59.97 Hz. Also, the controller shall disconnect the generator if the voltage of the power generated is over 128 volts, or under 112 volts.
4. The generating facility shall be installed in conformance with all applicable requirements of the National Electric Code and local building or electrical codes.
5. The owner of the generating facility and/or the owner's agents or representatives shall agree not to alter the factory set points for the owner's inverter without first notifying the utility in writing of the owner's intent to make any such modifications.
6. The generating facility shall be capable of being manually isolated from the utility system by means of an external, visible load break, electrically located between the generating facility and the utility system. For generating facilities of not more than 3 KW capacity, if the customer installs a separate disconnect switch for this purpose, the disconnect switch shall be located within 10 feet of the customer's electric meter and shall be clearly marked "Generator Disconnect Switch". This switch shall be readily accessible to utility personnel at all times, and the utility shall have the right to lock this switch open whenever necessary to maintain safe electrical operating conditions. If the customer does not install a separate disconnect switch for this purpose, the utility shall be permitted to remove the customer's electric meter to provide the required manual isolation of the generating facility. The customer understands that removal of the electric meter isolates the customer's electric service as well as the generating facility and that electric service will not be restored until the meter is replaced. For generating facilities of over 3 KW capacity, a disconnect switch shall be installed and marked as indicated above.

The utility will assume that the customer's generating facility is serving the customer load while the utility system is disconnected as described in Paragraph 5 above. Before connection to the utility system is reestablished, the generator must be taken completely off line. When the customer generator is completely off line, the utility service may be restored. At that point in time, the customer generator may reconnect in parallel to the utility system.