

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 FOR INVERTER BASED GENERATORS

PARTIES

This Distribution Interconnection Agreement for Inverter Based Generators (“*Agreement*”) is entered into by and between {SRPCustomerCompanyOrFullName} (“*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*”).

RECITALS

- A. Customer intends to install, or cause to be installed, at the metered location {ProjectSiteAddress} (the “*Premises*”), an inverter-based generating facility (the “*Generating Facility*”).
- B. Customer has requested to interconnect the Generating Facility to SRP’s electrical service grid.
- C. SRP requires that all customers sign a Distribution Interconnection Agreement, and meet all SRP interconnection requirements, prior to operating inverter-based generating facilities in parallel with SRP’s electrical distribution system (the “*SRP Distribution System*”).
- D. This Agreement governs the terms and conditions under which the Generating Facility will interconnect with, and operate in parallel with, the SRP Distribution System.

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

AGREEMENT

- 1.0 Generating Facility Power Rating.** The Generating Facility may not exceed a power rating of {SRPInverterNameplateTotal} kW (AC).
- 2.0 Effective Date, Term and Termination.** This Agreement will become effective as of the last date set forth beneath the parties’ signatures below (the “*Effective Date*”), and will remain in effect unless and until terminated by mutual agreement of the parties, or as provided for in this Section 2.0.
 - 2.1 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.
 - 2.2 Customer may terminate this Agreement, effective as of the date on which the Generating Facility permanently ceases operation, by delivering at least thirty (30) days’ advance written notice to SRP.
 - 2.3 Upon any termination of this Agreement, Customer must, at its sole expense, cause the Generating Facility to be disconnected from the SRP Distribution System. Customer’s obligation under this Section 2.3 will survive the termination of this Agreement.

2.4 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.

3.0 Transfer of Premises - Notice to Subsequent Owner. If Customer intends to sell or otherwise transfer ownership of the Premises (including the Generating 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, the purchaser must sign SRP's then-current version of the applicable Distribution Interconnection Agreement.

4.0 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 Generating Facility is designed, installed, owned or operated by Customer or by a third party.

4.1 Prior to the installation of the Generating Facility, Customer must submit, or cause to be submitted, to SRP the plans for the design and installation of the Generating Facility, to enable SRP to evaluate compliance with the SRP Terms and Requirements (as defined below), the Generating Facility's compatibility with the SRP Distribution System, and any potential impact of the Generating Facility on the reliability, integrity, or safe operation and maintenance of the SRP Distribution System.

4.2 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.

4.3 Customer will be solely responsible for all legal and financial obligations arising from the ownership, design, construction, installation, operation, and maintenance of the Generating Facility.

4.4 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 arising from or in connection with the commissioning and interconnection of the Generating Facility, including, without limitation, the costs of any of the following: technical study work; system upgrades; telemetry; metering; design review, inspections, and testing; and related administrative costs.

4.5 Customer must, at its own expense, obtain all permits, inspections and approvals required by applicable jurisdictions with respect to the Generating Facility and must use a licensed, bonded and insured contractor to design and install the Generating Facility. Unless approved in writing by SRP, Customer shall not install any equipment or device as part of the Generating Facility that is not Underwriters Laboratories Inc. certified.

4.6 Customer must operate and maintain the Generating Facility and all other Customer-owned equipment on the Customer's side of the Point of Interconnection (as defined in the Technical Requirements for Generating Facilities Interconnecting to the Distribution System) in good repair, and will be solely responsible for the protection of the Generating Facility from electrical events originating on either side of the Point of Interconnection.

5.0 SRP Right of Access and Inspection of Documents and Generating Facility.

- 5.1 SRP may, in its sole and absolute discretion, review all information, plans, specifications, designs, and test results relating to the Generating 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 Generating Facility or any plans, specifications, or other materials in connection therewith. SRP may require any modifications to the plans, specifications and designs of the Generating Facility that SRP reasonably determines are necessary for SRP's safe and reliable operation of the SRP Distribution System.
- 5.2 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 Generating 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 Generating Facility poses a risk to the SRP Distribution System, SRP's personnel or the general public, SRP may require Customer to test the Generating Facility and provide SRP the results in writing, irrespective of periodic testing of equipment that may be required or has been completed under the SRP Terms and Requirements.
- 5.3 Customer may not operate the Generating Facility in parallel with the SRP Distribution System until SRP has conducted witness testing of the Generating Facility and Customer's electrical system and confirmed in writing that test results are satisfactory.

6.0 SRP Right to Require Customer to Disconnect Generating Facility from SRP Distribution System.

SRP has no obligation to allow interconnection of the Generating Facility or to accept energy from Customer. SRP, in its sole and absolute discretion, may require Customer to disconnect the Generating 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 Generating 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 Generating Facility, or end the reduction or interruption, until SRP notifies Customer that the preceding conditions (a), (b) and/or (c) have/has been corrected.

7.0 SRP Right to Disconnect Generating Facility from SRP Distribution System.

Notwithstanding any other provision of this Agreement, SRP may disconnect the Generating Facility from the SRP Distribution System if SRP, in its sole and absolute discretion, determines that continued operation of the Generating Facility may (a) endanger SRP personnel or the general public, or (b) impair the integrity of the SRP Distribution System. If SRP disconnects the Generating 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 for any loss of energy during any period when the Generating Facility is operating at reduced capacity or is disconnected from the SRP Distribution System.

8.0 Delivery of Energy.

This Agreement does not govern the terms and conditions for the delivery of power and energy to Customer, or 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.

9.0 Liability and Damages.

- 9.1 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 GENERATING FACILITY OR ANY RELATED EQUIPMENT. ALL SUCH WARRANTIES ARE EXPRESSLY DISCLAIMED. SRP'S TESTING OF THE GENERATING FACILITY AND REVIEW OF ANY PLANS, SPECIFICATIONS, DESIGNS, AND TEST RESULTS OF OR WITH RESPECT TO THE GENERATING 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 GENERATING 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, WITHOUT LIMITATION, ANY EQUIPMENT MANUFACTURER, ELECTRICIAN, TECHNICIAN, OR OTHER SERVICE PROVIDER.
- 9.2 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, without limitation, lost profits, production losses, production delays, 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.

10.0 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), 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 Generating Facility or equipment used in connection with this Agreement; (b) the interconnection of the Generating Facility with, and delivery of energy from the Generating Facility to, the SRP Distribution System; or (c) the performance or nonperformance of Customer's obligations under this Agreement. 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 Generating Facility. Customer's obligations under this Section will survive the termination of this Agreement.

11.0 Customer Acknowledgements. 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, as well as the potential savings achieved by, and the value of, the Generating 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 Generating Facility at the Premises, 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 Generating Facility. SRP does not make any promises concerning future changes to its prices or the economics of Customer's purchase, lease, installation, or use of the Generating Facility.

12.0 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 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: _____
Title: _____
Date: _____

SRP

Name: _____
Printed Name:: _____
Title: _____
Date: _____