

## INTERCONNECTION AND POWER PURCHASE AGREEMENT

THIS INTERCONNECTION AND POWER PURCHASE AGREEMENT (“Agreement”) is made and entered into this \_\_\_ day of \_\_\_\_\_ 20\_\_ (“Effective Date”), by and among \_\_\_\_\_ (“Cooperative”), \_\_\_\_\_ (the “Generator”), and Allegheny Electric Cooperative (“Allegheny”) (each individually a “Party” and collectively the “Parties).

### W I T N E S S E T H

WHEREAS, the Generator is a member in good standing of Cooperative and has indicated a desire to install and/or operate electric generating facilities described on the attached Schedule A on the property located at the address set forth in Schedule A within the service territory of Cooperative;

WHEREAS, the subject generating facilities will meet the qualification standards for (1) Qualifying Facilities (“QF”) under the Public Utility Regulatory Policies Act of 1978, as may be amended (“PURPA”), and the regulations established by the Federal Energy Regulatory Commission (“FERC”) at 18 C.F.R. Part 292, as may be amended; or (2) Alternative Energy Systems (“AES”) established by the Pennsylvania Alternative Energy Portfolio Standards Act of 2004, as may be amended (QF and AES collectively referred to herein as “AES/QF”);

WHEREAS, Allegheny is required to purchase power from QFs that interconnect with the Cooperative, subject to certain waivers obtained from FERC;

WHEREAS, Allegheny is permitted, but not required, to take actions, including purchasing power, with respect to electric generating facilities that do not constitute QFs under PURPA or that are QFs but fall within the class of QFs for which FERC has granted Allegheny waivers;

WHEREAS, Allegheny is willing to purchase, and the Generator wishes to sell, as applicable, some or all of the electric energy generated by the AES/QF; and

WHEREAS, 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 its AES/QF and/or other uses;

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

1. Incorporation of Recitals and Attachments. The recitals above, schedules, exhibits, addenda, and attachments to this Agreement are hereby incorporated into this Agreement and made a part hereof.
2. Interconnection and Power Purchase Rules and Policies. The respective rules, policies, procedures, technical requirements, and rate schedules established by Cooperative and Allegheny (collectively, the “Interconnection/Purchase Rules”) shall govern the interconnection and operation of the AES/QF and the purchase of excess energy from the AES/QF. The Parties agree that Cooperative and

Allegheny shall have the right to amend, change, modify, supplement, or replace such Interconnection/Purchase Rules from time to time in the course of each of their respective operations and in each's sole discretion. The Interconnection/Purchase Rules, including any future amendments, changes, modifications, supplements, and/or replacements, are incorporated herein and made a part of this Agreement by this reference. The Generator acknowledges it has received a copy of the current version of Interconnection/Purchase Rules and agrees to comply with and be bound by the terms of the Interconnection/Purchase Rules, including any subsequent amendments, changes, modifications, supplements, and/or replacements. Cooperative shall provide the Generator with prompt notice of any subsequent amendments, changes, modifications, supplements, or replacements of the Interconnection/Purchase Rules that are material in nature.

3. Retail Electric Service. Cooperative shall furnish electric service and supply the energy requirements of the Generator and the AES/QF in accordance with the rules and rate schedules applicable to the Generator's class of service as a member of Cooperative, as may be modified or revised from time to time by Cooperative in its sole discretion.

4. Self-Supply of Retail Power.

A. If permitted by Cooperative and subject to its Interconnection/Purchase Rules, the Generator may elect that Cooperative credit the Generator for each kilowatt-hour produced by an AES/QF installed on the Generator's side of the electric meter not to exceed the retail load requirements of the Generator. For purposes of this Agreement, "retail load requirements" shall mean the Generator's load to be served by the Cooperative including that of the AES/QF.

B. If permitted by Cooperative and subject to its Interconnection/Purchase Rules, the Generator may elect that Cooperative implement virtual meter aggregation or virtual billing aggregation.

C. The provisions, terms, and conditions of this Section 4 are subject to availability as determined by the Cooperative, which availability is not guaranteed, and the Generator understands that Cooperative may modify or discontinue its alternative energy program at any time.

5. Purchase of Power and Energy by Allegheny.

A. Allegheny shall purchase, and Generator shall sell, electric energy generated by the AES/QF made available for purchase as set forth below. All purchases and sales under this Section 5 shall be made pursuant to the rates, terms, and conditions set forth in Allegheny's Interconnection/Purchase Rules. For purposes of this Agreement, the energy to be purchased by Allegheny shall be defined by Cooperative's Interconnection/Purchase Rules.

i. If the Generator has elected to generate electric energy for self-supply pursuant to Section 4, Allegheny shall purchase, and the Generator shall sell, all energy generated by the AES/QF and delivered into Cooperative's electric system by the Generator in excess of the Generator's retail load requirements (and, if applicable, any such energy that may be credited by Cooperative for virtual meter or billing aggregation).

ii. Otherwise, Allegheny shall purchase, and the Generator shall sell, all

energy generated by the AES/QF and delivered into Cooperative's electric system by the Generator that Generator makes available for purchase.

B. Purchases of energy and capacity by Allegheny shall be subject to the orders issued May 20, 2022 by FERC at Docket Nos. EL22-49-000 and QM22-9-000, relieving Allegheny of the obligation to purchase electric energy or capacity from facilities that are either a small power production QF with a net capacity greater than 5 megawatts ("MW") or a cogeneration QF with a net capacity greater than 20 MW. Purchases by Allegheny from an AES/QF for which Allegheny has no obligation to purchase energy or capacity, if any, shall be subject to Allegheny's discretion and subject to negotiation between Allegheny and the Generator and would be memorialized in a separate agreement.

C. The Generator shall receive payment for all energy purchased by Allegheny. Payment for purchases shall be coordinated by and between Cooperative and Allegheny and made in accordance with the Interconnection/Purchase Rules of Cooperative and Allegheny.

6. Installation, Operation, and Maintenance of AES/QF. The Generator shall install, operate, maintain, and repair the AES/QF in accordance with this Agreement; the Interconnection/Purchase Rules; all applicable federal, state, and local laws, regulations, ordinances, and codes; all applicable requirements and limitations of any adjoining utility(ies) or regional transmission organization(s) (each such utility or regional transmission organization, including but not limited to Allegheny and PJM Interconnection, LLC, an "Adjoining Utility"); and all applicable safety and electrical codes, including but not limited to the National Electrical Safety Code. All maintenance shall be performed in accordance with the applicable manufacturers' recommended maintenance schedules and Good Utility Practice.

7. Facility Design, Plans, and Studies; System Work.

A. Prior to the installation of the AES/QF, the Generator shall submit its plans and specifications for the AES/QF to Cooperative for review to assure compliance with Cooperative's and Allegheny's respective Interconnection/Purchase Rules and the standards identified in Section 6 above. 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.

B. Before interconnecting (directly or indirectly) the AES/QF to Cooperative's and/or any Adjoining Utility's systems, there may be additions, modifications, alterations, studies, or other work necessary (collectively "System Work") to Cooperative's system, equipment, facilities, or infrastructure, and/or the system, equipment, facilities, or infrastructure of any Adjoining Utility. Cooperative, in its sole discretion and, if applicable, in consultation with Allegheny and any Adjoining Utility(ies), shall identify and determine the System Work needed to interconnect the AES/QF and prepare a timeline for completion of the System Work. Cooperative and Allegheny shall have no liability or responsibility for any delay in the estimated timeline regardless of cause. System Work on any system, equipment, facilities or infrastructure of an Adjoining Utility is not the responsibility or within the control of Cooperative or Allegheny, and any Adjoining Utility is not a party to this Agreement.

C. The Generator shall promptly notify Cooperative of any proposed alteration, modification, or addition to the design of the AES/QF and provide all information required by Cooperative

to review such proposal, including any change in generation capacity of the AES/QF and any alterations applicable to interconnection equipment. Cooperative reserves the right to require a new application for interconnection, additional studies, and/or additional System Work, all at the sole cost and expense of the Generator, to accommodate any such alterations, modifications, or additions. The Generator shall not alter, modify, or add to the AES/QF without receiving prior written consent of Cooperative.

D. Interconnection of the AES/QF shall be subject to, and the Generator agrees to abide by, all applicable requirements and limitations established by any Adjoining Utility(ies), including but not limited to the performance and completion of all required studies or analyses. Study and analysis times are not the responsibility or within the control of Cooperative or Allegheny.

8. Metering. The metering equipment and requirements used to meter and record electrical energy delivered from the AES/QF shall be in accordance with the Interconnection/Purchase Rules. Cooperative personnel shall have the right to enter upon the Generator's property for the purpose of installing and testing the necessary metering and communications devices to effectuate this Agreement.

9. Inspection. Prior to interconnection of the AES/QF, Cooperative shall inspect the facilities for compliance with Interconnection/Purchase Rules, Cooperative's bylaws and other governing documents, and the standards identified in Section 6 above. Cooperative may inspect and test the operation of the AES/QF to assure the safety of Cooperative's personnel, as well as the satisfactory operation of the AES/QF in parallel with Cooperative's system, before authorizing the operation of the AES/QF. Such inspection by Cooperative shall not relieve the Generator from its responsibility to install, operate, maintain, and repair the AES/QF in a safe and satisfactory manner. The above-described inspection does not impose any obligation upon Cooperative or Allegheny to warrant or ensure in any manner the AES/QF's safety or compliance with this Agreement. Further, 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.

10. Costs. The Generator shall be responsible for and pay (or, if applicable, reimburse Cooperative, Allegheny, and any Adjoining Utility(ies) for) all costs associated with the AES/QF, including all costs of design, installation, operation, maintenance, repair, and inspection. For any System Work required, Cooperative shall provide the Generator with a written estimate of costs and expenses. Payment shall be due within thirty (30) days of receipt of such estimate from Cooperative, Allegheny, and/or any Adjoining Utility(ies). Said payment shall be received prior to physical interconnection of the AES/QF with Cooperative's facilities. Cooperative and/or Allegheny may refuse or delay physical interconnection and/or commencement of System Work until such payment is received in full. Within one hundred twenty (120) days following completion of such physical interconnection work and/or System Work, Cooperative shall provide to the Generator a true-up of estimated costs to account for actual costs. If the estimated costs paid by the Generator exceed the actual costs identified in the true-up, the true-up will be accompanied by a refund for the excess. If the actual costs exceed the funds paid by the Generator, the true-up will be accompanied by an invoice for the excess, which the Generator shall pay within thirty

(30) days of receipt.

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

12. Right of Access. 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 its obligation to install, operate, maintain, and repair the AES/QF in a safe and satisfactory manner.

13. Disconnection.

A. The Generator shall disconnect the AES/QF, at its sole cost, upon the effective date of termination of this Agreement, as described in Section 18 below. If the Generator refuses to disconnect the AES/QF, Cooperative or Allegheny may enter the premises of the Generator for the purpose of disconnecting the AES/QF, with such disconnection to be performed at the sole expense of the Generator.

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

C. Cooperative and/or Allegheny, as applicable, may interrupt interconnection service, curtail output of the AES/QF, or temporarily disconnect service from Cooperative's or, if applicable, an Adjoining Utility's system when necessary for maintenance, repair, inspection, or construction on such system. Cooperative and/or Allegheny shall use reasonable efforts to provide reasonable prior written notice and coordination related to any such interruption, curtailment, or disconnection of the AES/QF.

14. Safety/Protection of Facility. The Generator shall have the sole responsibility for the safety and electrical protection of its AES/QF, without regard to the condition of Cooperative's or Allegheny's facilities.

15. Limitations of Liability. Neither Cooperative nor Allegheny shall be liable to the Generator for any punitive, incidental, indirect, special, or consequential damages, including for loss of business opportunity or profits, resulting from or arising from Cooperative's or Allegheny's performance or non-performance of its obligations under this Agreement. In addition, notwithstanding any other provision of this Agreement, Cooperative's liability to the Generator under this Agreement shall be further limited as set forth in Cooperative's bylaws and governing documents, policies, rules, rate schedules, and terms and conditions for electric service, which limitations are incorporated herein by this reference.

16. Indemnification. The Generator shall indemnify and hold harmless Cooperative and Allegheny, and their respective directors, officers, employees, members, owners, subsidiaries, successors, and assigns, from and against any and all claims, demands, damages, losses, causes of action, liability, personal injuries (including death), costs, and expenses (including reasonable attorneys' fees and court costs) of any kind, type, or nature (collectively, "Claims") that arise out of or result from (i) the existence, construction, maintenance, or operation of the Generator's AES/QF, or (ii) the Generator's breach, default, performance, or non-performance of its obligations under this Agreement. The Generator's obligations to indemnify and hold harmless shall apply regardless of whether the Claims arise or occur on Cooperative's, Allegheny's, and/or the Generator's side of the interconnection point, and regardless of whether such Claims are known or unknown or foreseen or unforeseen.

17. Insurance. [Except for residential rate class consumer-members,] the Generator shall procure and maintain the following liability insurance in the amounts stated: (i) bodily injury in the amount of \$1,000,000 or greater per occurrence; and (ii) property damage in the amount of \$1,000,000 or greater per occurrence. All insurance shall be written on an "occurrence" basis and not a "claims-made" basis and shall be maintained for a minimum period of two (2) years after the termination of this Agreement. Cooperative and Allegheny shall be listed as additional named insureds on the policy, and all insurance coverage must respond at the time of loss as primary and non-contributory. The Generator shall furnish certificate(s) of insurance to Cooperative and Allegheny at least twenty (20) days before work on the construction and interconnection of the AES/QF commences, and annually thereafter. 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 Cooperative's electrical system. The policy should list Cooperative and Allegheny as additional named insureds.]

18. Termination. This Agreement shall become effective immediately upon the Effective Date and shall continue in effect until terminated as set forth below. Termination shall require permanent disconnection of the AES/QF.

A. Any Party may terminate this Agreement at any time upon sixty (60) days' written notice to the other Parties.

B. Cooperative or Allegheny may terminate this Agreement immediately upon written notice in the event of a breach or default by Generator of any of the terms and conditions of this Agreement or the respective Interconnection/Purchase Rules of Cooperative and Allegheny.

C. Cooperative may terminate this Agreement upon thirty (30) days' written notice if the Generator for any reason ceases to be a member in good standing with Cooperative, so long as the notice explains what is necessary for the Generator to return to good standing and the Generator has not returned itself to status of a member in good standing within thirty (30) days of being so notified.

D. Cooperative or Allegheny may terminate this Agreement immediately without

notice if the Generator ceases to be a member of Cooperative; dies; is liquidated or otherwise ceases to exist; or sells, transfers, or otherwise ceases to own the property at which the AES/QF is located.

19. Default; Remedies. The Generator shall be in default under this Agreement if the Generator fails to comply with, observe, or perform, or defaults in performance of, any covenant or obligation under this Agreement and fails to cure the default within thirty (30) days' after receipt of written notice from Cooperative or Allegheny identifying the basis of the default. In such case, Cooperative or Allegheny shall have the right to terminate this Agreement pursuant to Section 18.B. above, effecting an automatic disconnection pursuant to Section 13.A. above. Cooperative and Allegheny shall be relieved of any further obligations under this Agreement and shall be entitled to pursue all other damages and remedies available under this Agreement or at law or in equity.

20. Notices. All notices under this Agreement are deemed to be duly delivered if hand delivered, sent by U.S. certified mail, return receipt request, postage prepaid, or sent by email, to:

If to Generator: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to Cooperative: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to Allegheny: Allegheny Electric Cooperative, Inc.  
Attention: Manager – Power Supply  
212 Locust Street  
Harrisburg, PA 17101  
Email: [Power\\_Purchases@ccsenergy.com](mailto:Power_Purchases@ccsenergy.com)  
with a copy to: [interconnections@ccsenergy.com](mailto:interconnections@ccsenergy.com)

21. No Wavier. The failure of a Party to insist, on any occasion, upon strict performance of any provision of this Agreement shall not be considered to waive the obligations, rights, or duties imposed upon the Parties.

22. Assignment. The Generator shall not assign, transfer, or pledge this Agreement or any of its rights or obligations hereunder without the prior express written consent of Cooperative and Allegheny.

23. Severability. If any provision of this Agreement, in whole or part, is declared invalid or unenforceable by a court of competent jurisdiction, such provision shall be deemed separate and independent, and the remainder of this Agreement shall remain in full force and effect.

24. Entire Agreement. This Agreement, including the Interconnection/Purchase Rules and all schedules, exhibits, addenda, and attachments hereto (which are expressly made a part hereof for all purposes), constitutes the entire agreement and understanding between the Parties concerning the subject

matter of this Agreement. The Parties are not bound by or liable for any statement, representation, promise, understanding, or undertaking of any kind or nature, whether written or oral, concerning the subject matter hereof which is not set forth or provided for herein. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for in this Agreement, which agreements are unaffected by this Agreement.

25. Amendment. Except as specifically provided in this Agreement, this Agreement may be amended only upon mutual agreement of the Parties, which amendment shall not be effective until reduced to writing and executed by the Parties. The respective Interconnection/Purchase Rules of Cooperative and Allegheny, which may be amended, changed, modified, supplemented, or replaced from time to time in the course of Cooperative's and Allegheny's respective operations and in each's sole discretion, as more fully described in Section 2 of this Agreement, are all excepted from this Section 25 and do not require a written amendment to this Agreement.

26. Governing Law. This Agreement and the rights and obligations of the Parties hereunder shall be construed in accordance with and shall be governed by the laws of the Commonwealth of Pennsylvania without giving effect to conflict of law principles.

27. Counterparts. This Agreement may be executed in any number of identical counterparts with the same binding effect as if the signatures were on one instrument. Original, electronic, or faxed signatures are binding.

*[Signature page follows]*

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

COOPERATIVE

Attest: \_\_\_\_\_

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

GENERATOR:

Attest: \_\_\_\_\_

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

\_\_\_\_\_

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

ALLEGHENY

Attest: \_\_\_\_\_

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

*[Signature Page to Agreement]*

**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 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.

Will the interconnected system include batteries? YES \_\_\_ NO \_\_\_ (check one). If YES, size of battery: \_\_\_ kW, and describe under what conditions the batteries will be used, including how and when the batteries are expected to be discharged on Cooperative's system and/or the member's residential electric service: \_\_\_\_\_

\_\_\_\_\_.

The AES/QF site is located in \_\_\_\_\_ Township, \_\_\_\_\_ County, at Cooperative's 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 \_\_\_\_\_, 20\_\_ (*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.