



A Mississippi Cooperative

Magnolia Electric Power
ELECTRIC COOPERATIVE

RESIDENTIAL – RENTAL OPERATION AND INTERCONNECTION AGREEMENT
FOR EXISTING DISTRIBUTED ENERGY RESOURCES

This Interconnection Agreement (“Agreement”) is made and entered into this ____ day of _____, 20____, by _____ (“Participant”), Magnolia Electric Power, (“Distributor”), a corporation organized under the laws of Mississippi, and Cooperative Energy (“Supplier”), a corporation organized under the laws of Mississippi, and

WHEREAS, the intent of this Agreement is to define the responsibilities of the Parties in order for Participant to operate energy producing distributed energy resource (“DER”) equipment for the purpose of providing distributed generation (“DG”) electric energy for Participant’s use and/or for sale. The Parties to this Agreement are further defined as:

- **Participant:** A renter and member of the Distributor desiring to operate existing DER Equipment which is interconnected to the Distributor’s electric power distribution system at the following metered residential rental location. Residential Rental Location: _____.
- **Distributor:** Magnolia Electric Power, a rural electric distribution utility which delivers and sells power to member- consumers through use of its electric power distribution system, and who purchases all its electric energy and power needs from Supplier.
- **Supplier:** Cooperative Energy, a generation and transmission rural electric utility that generates, transmits and supplies wholesale electric energy and power for sale to Distributor through the Wholesale Power Agreement between Distributor and Supplier. Should Participant desire to sell excess DG electric energy produced by its DER Equipment delivered into the electric facilities of Distributor from the DER facilities of Participant (“*Excess DG Energy*”), Supplier will purchase the Excess DG Energy.

Now, therefore, for and in consideration of the mutual covenants and agreements set forth herein, the Parties agree as follows:

1. Scope of Agreement

- 1.1. This Agreement is applicable to conditions under which the Distributor, Supplier and the new Participant agree that one or more existing DER and all related interconnection equipment, which previously met the conditions for interconnection, can remain or resume normal interconnected operation at Participant’s currently metered location.

- 1.1.1. This Residential Renter DER Operational/Interconnection Agreement is required to be executed by a new Participant desiring to operate an existing DER system on a home that they are renting.
- 1.1.2. Participant provides Distributor or Supplier with a completed and signed IRS Tax Form W-9 if Participant elects for Supplier to purchase Excess DG Energy.
- 1.1.3. This Residential Renter DER Operational/Interconnection Agreement is executed by the Distributor and routed to the Supplier for execution.
- 1.1.4. This Residential Renter DER Operational/Interconnection Agreement is fully executed by Supplier when all the interconnection requirements are met.
- 1.1.5. A fully executed copy of this Residential Renter DER Operational/Interconnection Agreement will be routed to all parties.

2. Point of Interconnection

The “Point of Interconnection” for the Qualifying DER was determined as part of the original installation process.

3. General Responsibilities of the Parties

- 3.1. Participant shall conduct operations of its Qualifying System in compliance with all aspects of the specified Rules and in accordance with industry standard prudent engineering practices.
- 3.2. Participant shall comply with all applicable laws, regulations, zoning codes, building codes, safety rules, and environmental restrictions, including the Distributor specified version of the IEEE 1547 Series of Standards and the National Electrical Code applicable to the design, installation, operation and maintenance of this Qualifying System.
- 3.3. Participant shall be responsible for protecting its DER equipment, inverters, protective devices, and other system components from damage which may be incurred during normal and abnormal conditions and operations that occur on the electrical grid in delivering and restoring power; and shall be responsible for ensuring that the Qualifying System is inspected, maintained and tested on an ongoing basis in accordance with the manufacturer’s instructions to ensure that it is operating correctly and safely.

4. Inspection and On-Going Compliance

Distributor will provide Participant with as much notice as reasonably practicable, either in writing, email, facsimile or by phone, as to when Distributor and/or Supplier may conduct inspection and/or document review. Upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, Distributor shall have access to Participant’s premises for the purpose of accessing the manual disconnect switch, performing an inspection

or disconnection, or, if necessary, to meet Distributor's legal obligation to provide service to its member customers.

5. Manual Disconnect Switch

- 5.1. Participant must maintain the manual, lockable, visible load break disconnect switch located between the generation source and the Distributor's electric power distribution system. Participant shall ensure that this manual isolation disconnect switch shall remain readily accessible to Distributor and be capable of being locked in the open position by the Distributor with a single utility padlock.

6. Disconnection/Reconnection

- 6.1. Distributor may open the manual disconnect switch or disconnect Participant's meter, pursuant to the conditions set forth in Section 6.2 below, isolating the Qualifying System, without prior notice to Participant. To the extent practicable, however, prior notice shall be given, including an explanation of the condition necessitating such action. As soon as practicable after the condition(s) necessitating disconnection has been remedied, Distributor will unlock the disconnect switch so Participant may re-energize the Qualifying System.
- 6.2. Distributor has the right to disconnect the Participant-operated DER at any time. Some of the examples that may require disconnect are:
 - 6.2.1. Emergencies or maintenance requirements on Distributor's system.
 - 6.2.2. Hazardous conditions existing on Distributor's system due to the operation of the generating or protective equipment as determined by Distributor.
 - 6.2.3. Adverse electrical effects, such as power quality problems, on the electrical equipment of Distributor's other electric customers caused by the Participant-operated DER as determined by Distributor.
 - 6.2.4. Participant is no longer a member at the location in question.
 - 6.2.5. This Agreement is terminated in accordance with the provisions of Section 10 of this Agreement.

7. Modifications/Additions to Participant-Operated DER

For any modification to the DER, Participant must provide Distributor and Supplier with written notification that fully describes the proposed modifications at least thirty (30) calendar days prior to making the modifications.

8. Indemnity

Participant agrees to release, indemnify, and hold harmless Distributor, Supplier, and their respective agents and employees from all liability, claims, demands, causes of action, costs, or losses for personal injuries, property damage, or loss of life or property, sustained by Participant, Participant's agents and family, or third parties arising out of or in any way connected with the installation, testing, operation, maintenance, repair, replacement, removal, defect, or failure of Participant's Qualifying System. The obligations of this Section 8 shall survive termination of this agreement.

9. Assignment

This Residential Renter DER Operational/Interconnection Agreement shall not be assignable by Participant.

10 Effective Term and Termination Rights

10.1 This Agreement becomes effective when executed by the Parties. The Agreement will continue in effect unless terminated as per one of the following conditions: (a) Any Party may terminate this Agreement at any time by giving the other Parties at least sixty (60) days' written notice; (b) any Party may terminate if one of the other Parties has defaulted or failed to comply with the terms of the Agreement and failed to cure within thirty (30) days after receiving written notice of the default or failure.

10.2 This Agreement shall terminate in the event Participant is no longer a member nor renter at the location in question.

10.3 The rights and obligations of Sections 6 and 8 shall survive termination of this Agreement.

11 Entirety of Agreement and Prior Agreements Superseded

This Agreement, including the Rules executed by Distributor, Supplier and Participant, and all attached Exhibits expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the Qualifying System at the Point of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein, in Participant's Application for Interconnection of DER or other written information provided by the Participant in compliance with the Rules.

12 DG Operational Capacity Limits

12.1 A residential DG system shall not be capable of using from nor supplying to the electric grid more than the DG capacity of the originally installed system. DER battery storage shall not supply power to the electric grid.

13 DG Fees

- 13.1 Monthly DG fees (including metering fees and billing fees), if applicable, will be listed in the Distributor's and Supplier's Rate Schedule, or attached as a Rider to the Rate Schedule.
- 13.2 Distributor shall add to the monthly bill of Participant, if applicable, a DG Fee in an amount per month as published in the most recent fee structures of Distributor and Supplier to cover administrative, metering and other Supplier and Distributor expenses related to serving interconnected DER. Distributor and/or Supplier may revise the amount charged for the monthly DG Fee upon giving thirty (30) day advance written notice of such change.

14 DG Metering

- 14.1 If Participant elects to sell Excess DG Energy to Supplier pursuant to Section 18, Metering suitable to Distributor and Supplier for measuring such Excess DG Energy shall be provided by Distributor in accordance with this Agreement and Distributor's and/or Supplier's Rules.
- 14.2 Reading of Meter: If Participant elects to sell Excess DG Energy to Supplier pursuant to Section 18, Distributor shall read the meter monthly and report to Supplier the excess electric energy delivered to the electric facilities of Distributor from the DG facilities of Participant.

15 DG Billing

- 15.1 Determination of Excess DG Energy: If Participant elects to sell Excess DG Energy to Supplier pursuant to Section 18, the Excess DG Energy delivered (kWh) shall be measured at the meter.
- 15.2 Payment for Excess DG Energy: If Participant elects to sell Excess DG Energy to Supplier pursuant to Section 18, a Statement by Supplier covering payment for Excess DG Energy shall be rendered to Participant along with a check for the amount due if the Participant's accumulated credit exceeds \$25.00. Regardless of the Excess DG Energy credit amount accumulated by December 31st, Supplier shall pay the amount due Participant in the subsequent year.

16 Governing Law

Governing Law: This Agreement shall be governed and construed in accordance with the laws of the State of Mississippi.

17 Notices

Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

(a) If to Participant (Renter):

Name: _____

Street Address: _____

City/State/Zip: _____

Email Address: _____

(b) If to Distributor:

Magnolia Electric Power
Attn: Engineering Services Manager
P.O. Box 747
Summit, MS 39666

(c) If to Supplier:

Cooperative _____ Energy
Manager Wholesale Services Programs
P.O. Box 15849
Hattiesburg, MS 39404-5849

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other.

18 Power Purchase

18.1 DG Energy Power Purchase Rate: Participant can elect for Supplier to purchase all metered excess electric energy delivered into the electric facilities of Distributor from the DG facilities of Participant (“Excess DG Energy”) in accordance with Supplier’s Applicable **Distributed Generation Rate**.

18.2 Power Purchase Choice (Renter Initials One of the Choices Below)

_____ Participant elects to sell Excess DG Energy to Supplier by selecting this option and completing, signing and submitting to Supplier IRS Tax Form W-9. The amount paid for Participant’s Excess DG Energy is stated in Supplier’s Applicable **Distributed Generation Rate**. Upon rental termination, a forwarding mailing address must be provided to Distributor in order to receive payment for any unpaid excess energy accrued under the terms of this Agreement. If Participant fails to provide a forwarding mailing address within sixty (60) days of rental termination, it is agreed by the Parties that Participant forfeits any monies owed by Distributor for unpaid excess energy accrued under the terms of this Agreement.

_____ Participant **declines** to sell Excess DG Energy to Supplier by selecting this option. Participant **does not** need to complete or sign IRS Tax Form W-9. Participant may elect at a later date to sell Excess DG Energy to Supplier by written notice and acceptance.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

(Participant: Renter-Primary Account Holder)

(Supplier: Cooperative Energy)

Sign: _____

BY: _____

Printed Name: _____

Printed Name: _____

ACCOUNT NO. _____

TITLE: _____

DATE: _____

DATE: _____

(Distributor: Magnolia Electric Power)

BY: _____

Printed Name: _____

TITLE: Engineering Services Manager

DATE: _____

AVAILABILITY OF SERVICE

This Distributed Generation Rate (DG-1) ("Rate") is available to qualifying Member-Consumers ("Participants") of Distributor's distribution system (where "Distributor" is a rural electric distribution cooperative served by COOPERATIVE ENERGY, hereinafter "Supplier"). This rate is available where Distributor's electric distribution facilities of adequate capacity and suitable phase and voltage are adjacent to the premises to be served, and Service is taken according to the Service Policy and Character of Service Available of the Distributor. Where facilities of adequate capacity and suitable phase and voltage are not adjacent to the premises to be served, Distributor may, at its option, require a contribution, higher minimum bill, facilities charge, or other compensation to make Service available.

This Rate is available to Participants on a first-come, first-served basis until such time as the installed level of net metered capacity expressed in kW (direct current, or "dc") exceeds at any time 3 percent of the Distributor's total system peak demand expressed in kW recorded during the prior calendar year.

Note: Generally, unless otherwise specified herein, capitalized terms used throughout this document are as defined in the Distributor's or Supplier's Service Policies or in the Mississippi Public Service Commission ("MPSC") Mississippi Renewable Energy Net Metering Rule and Mississippi Distributed Generator Interconnection Rule.

APPLICABILITY

This Rate is applicable to any Participant who takes Service under the Distributor's standard Rate Schedules who has signed an Interconnection and Parallel Operation Agreement for Renewable Generation Rated 2MW and Less between Participant, Distributor and Supplier ("Agreement"), has installed an approved renewable electric energy producing distributed generation equipment system ("Qualifying System") in accordance with the Agreement and:

- If a residential Participant, has installed a Qualifying System with a net nameplate generating capacity of no more than 15 kWAC, or
- If a non-residential Participant, has installed a Qualifying System with a net nameplate generating capacity of no more than 2 MWdc (2,000 kWdc) and the Qualifying System is sized to offset no more than the Participant's average annual peak demand at that location. If the non-residential Participant is not offsetting any load or meet the stated capacity limits, they will be eligible only for Cooperative Energy Avoided Cost payment.

Such facilities must be located on the Participant's premises, be owned or leased by the Participant, and must be a Qualifying System in accordance with the Agreement.

Participants may not take Service under this Rate and simultaneously take Service under the provisions of any other alternative source generation or co-generation tariff or rate.

The provisions of the Participant's standard Rate Schedule are modified as specified herein.

This Rate and the terms and conditions set out herein are available for and applicable to purchases of energy only by Supplier from a Participant who owns (or leases) and operates a Qualifying System with a rated output no greater than 2 MWdc (2,000 kWdc). Such Qualifying System shall be installed on the property of Participant and interconnected with the distribution system of a Distributor to provide all or part of Participant requirements of electric energy, or from which Participant may elect to sell to Supplier such output of excess renewable electric energy delivered into the distribution system of Distributor ("Delivered Energy").

Supplier and Distributor will authorize the Qualifying System of Participant to interconnect and operate in parallel with the electric systems of Distributor and Supplier under conditions as outlined in the section below, **Parallel Operation**, and in accordance with the terms and conditions of the Agreement.

Rate

Supplier will purchase such excess renewable electric energy generated from the Qualifying System of Participant at the Rate as defined below and under the terms and conditions stated herein. Supplier reserves the right to change said Rate at its discretion, provided Supplier has notified Participant of such change in writing at least thirty (30) days in advance of the effective date of the revised Rate.

Distributed Generation Rate (DG-1):

- For all kWh purchased by COOPERATIVE ENERGY, \$0.045/kWh.

Rate Components considered in the development of the DG-1 Rate:

- Cooperative Energy Avoided Cost: Cooperative Energy projected annual Avoided Cost of energy.
- Distribution Line and Power Transformer Losses: Credit to DG facility for losses not incurred by distribution system.
- Renewable Energy Credit ("REC"): Credit to DG facility for the Mississippi Market Value for RECs (Note: Owners of DG facilities that do not use a renewable resource to generate electricity are not eligible for the Renewable Energy Credit).
- Ownership of RECs will be transferred to Cooperative Energy..
- Cooperative Energy DG Incentive: A Cooperative Energy Board approved temporary adder to incentivize installation of DG generation in order for critical mass to be achieved so that any cost or benefits of DG generation can be accurately assessed.

METERING

The Participant shall be responsible for the cost of installing and maintaining acceptable metering and telemetry equipment that satisfies the metering and telemetry equipment requirements as detailed in the Agreement.

Supplier and Distributor shall have access to all such meters at reasonable times during normal business hours of Participant, and shall regularly provide to Participant copies of all information provided by such meters.

PAYMENT FOR EXCESS RENEWABLE ELECTRIC ENERGY

Supplier or Distributor shall read monthly, the meter used for measuring electric energy purchases from Participant. Payment to Participant for Delivered Energy shall be rendered according to the terms and conditions of the Agreement and as follows:

A Statement from Supplier covering credits for Delivered Energy shall be rendered to Participant along with a check for the amount due if the Participant's credit for Delivered Energy exceeds \$25.00. A monthly credit of \$25.00 or less will be accumulated and paid when the total amount due Participant exceeds \$25.00.

Regardless of the accumulated amount due Participant for Delivered Energy by December 31 of each year the Agreement is in effect, Supplier shall pay the amount due Participant for sale of such Delivered Energy in the subsequent year.

PARALLEL OPERATION

Renewable electric energy producing distributed generation facilities of a Participant desiring to interconnect with the distribution system of the Distributor must meet the specifications, terms and conditions contained in the Agreement. Upon approval of the Qualifying System installation, successful completion of the Commissioning and execution of the Agreement, Supplier and Distributor will, in accordance with the terms and conditions of said Agreement, authorize Participant to interconnect and operate its Qualifying System in parallel with the electric distribution system of Distributor.

CURTAILMENT

In addition to the terms of the Agreement, Supplier and/or Distributor reserve the right to curtail a purchase from Participant when:

1. Supplier or Distributor has a system emergency and purchases would (or could) contribute to such emergency, or
2. Supplier has been directed by the regional Reliability Coordinator that the purchase of energy from Participant must be curtailed because of a system emergency or for other reliability related reasons

Participant will be notified of each curtailment in a manner as timely as possible.