

The Victory Electric Cooperative Association, Inc.

Application for Operation of Member-Owned Generation

This application should be completed as soon as possible and returned to the Cooperative representative in order to begin processing the request. See Victory's Rules and Regulations for additional information. **Include a \$200 application fee when submission is made.**

INFORMATION: *This application is used by the Cooperative to determine the required equipment configuration for the Member interface. Every effort should be made to supply as much information as possible.*

Choose an Interconnection Type that best describes your Small Generation Facilities:

- ☐ Parallel Generation
- ☐ Parallel Generation – Renewable Source
- ☐ Net Metering

PART 1

OWNER/APPLICANT INFORMATION

Company: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Phone Number: _____ Representative: _____

PROJECT DESIGN/ENGINEERING (as applicable)

Company: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Phone Number: _____ Representative: _____

ELECTRICAL CONTRACTOR (as applicable)

Company: _____

Mailing Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Phone Number: _____ Representative: _____

TYPE OF GENERATOR (as applicable)

Photovoltaic _____ Wind _____ Microturbine _____

Diesel Engine _____ Gas Engine _____ Turbine Other _____

ESTIMATED LOAD INFORMATION

The following information will be used to help properly design the Cooperative member interconnection. This information is not intended as a commitment or contract for billing purposes.

Total Site Load_____ (kW)

Total DG Output_____ (kW)

DESCRIPTION OF PROPOSED INSTALLATION AND OPERATION

Give a general description of the proposed installation, including when you plan to operate the generator.

ADDITIONAL INFORMATION

In addition to the items listed above, please attach a detailed one-line diagram of the proposed facility, all applicable elementary diagrams, major equipment (generators, transformers, inverters, circuit breakers, protective relays, etc.), specifications, test reports, etc., and any other applicable drawings or documents necessary for the proper design of the interconnection.

SIGN OFF AREA

The member agrees to provide the Cooperative with any additional information required to complete the interconnection. The member shall operate his equipment within the guidelines set forth by the Cooperative.

Applicant: _____ Date: _____

VICTORY ELECTRIC COOPERATIVE ASSOCIATION, INC. CONTACT FOR APPLICATION SUBMISSION AND FOR MORE INFORMATION:

Cooperative contact:	<u>Jeff Hubbell I.E.</u>
Title:	<u>Engineer</u>
Address:	<u>3230 N 14th Dodge City Ks, 67801</u>
Phone:	<u>620-227-2139</u>

THE VICTORY ELECTRIC COOPERATIVE ASSOCIATION, INC.

DISTRIBUTED GENERATION INTERCONNECTION AGREEMENT

(For Generating Facilities No Larger Than 20 MW)

Notice – The Victory Electric Cooperative Assoc., Inc. is an electric distribution cooperative operating in the state of Kansas and is exempt from Federal Energy Regulatory Commission (FERC) jurisdiction. Victory Electric Cooperative Assoc., Inc. has adopted this standard Distributed Generation Interconnection Agreement (DGIA) for setting a consistent and equitable set of rules of interconnecting small generation (20 MW or less) to its system.

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The Victory Electric Cooperative Assn., Inc.
Distributed Generation Interconnection Agreement
For Generating Facilities No Larger Than 20 MW
Agreement Parties

This Interconnection Agreement ("Agreement" is made and entered into this date ____/____/____, by The Victory Electric Cooperative Association, Inc., ("Cooperative", VEC, or "Interconnection Provider), and _____, ("Interconnection Member") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties".

Interconnection Member Application No: _____

Interconnection Provider Information:

The Victory Electric Cooperative Association, Inc.
Jeff Hubbell
PO Box 1355
3230 N. 14th Ave., Dodge City, KS 67801

Interconnection Member Information:

Name or Business: _____
Attention: _____
Address: _____
Phone: _____



The Victory Electric Cooperative Assn., Inc.
Distributed Generation Interconnection Agreement
For Generating Facilities No Larger Than 20 MW
Effective Date, Term, Termination and Disconnection

I. Scope and Limitations of Agreement

A. Interconnection Governance

This agreement governs the terms and conditions under which the interconnection member's Small Generating Facility (SGF) will interconnect with and operate in parallel with the cooperative's distribution system.

B. Purchasing Power or Transmission Costs

This agreement does not constitute an agreement to purchase or deliver the interconnection member's power. The purchase or delivery of power and other services that the interconnection member may require will be covered under the separate agreements if any.

C. Respective Agreements

Nothing in this agreement is intended to affect any other agreement between the interconnection provider and the interconnection member.

D. Responsibilities of the Parties

1. The parties shall perform all obligations of this agreement in accordance with all applicable laws and regulations, operating requirements, and proper utility practice.
2. The interconnection member shall construct, interconnect, operate and maintain its SGF and construct, operate and maintain its interconnection facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this agreement and with good utility practice.
3. The cooperative shall construct, operate, and maintain its distribution system and interconnection facilities in accordance with this agreement and with good utility practice.
4. The interconnection member agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriters Laboratory, and operating requirements in effect at the time of construction and other applicable national and state codes and standards. The interconnection member agrees to design, install, maintain and operate its SGF to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the cooperative's distribution system or its transmission provider or any affected systems.



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5. Each party shall operate, maintain, repair and inspect and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the attachments to this agreement. Each party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The cooperative and the interconnection member, as appropriate, shall provide interconnection facilities that adequately protect the cooperative's distribution system, its personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance, and ownership of interconnection facilities shall be delineated in the attachments to this agreement.

E. Parallel Operation Obligations

Once the SGF has been authorized to commence parallel operation, the interconnection member shall abide by all the rules and procedures pertaining to the parallel operation of the SGF in the applicable control area, including, but not limited to 1) the rules and procedures concerning the operation of generation set forth in the tariff or by the appropriate system operator(s) for the cooperative's distribution system and; 2) the operating requirements set forth in attachment E of this agreement.

F. Metering

The interconnection member shall be responsible for the cooperative's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair and replacement of metering and data acquisition equipment specified in Attachments B and C of this agreement. The interconnection member's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and operating requirements.

II. Inspection, Testing, Authorization, and Right of Access

A. Equipment Testing and Inspection

1. The interconnection member shall test and inspect its SGF and interconnection facilities prior to interconnection. The interconnection member shall notify the cooperative of such activities no fewer than five business days (or as may be agreed to by the parties) prior to such testing and inspection. Testing and inspection shall occur on a business day. The cooperative may, at its own expense, send qualified personnel to the SGF site to inspect the interconnection and observe the testing. The interconnection member shall provide the cooperative a written test report when such testing and inspection are complete.



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2. The cooperative shall provide the interconnection member acknowledgment that it has received the interconnection member's test report via a documented form of messaging, including written notice, electronic mail, facsimile, or other agreed-upon means. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the cooperative of the safety, durability, suitability or reliability of the SGF or any associated control, protective and safety devices owned or controlled by the interconnection member of the quality of power produced by the SGF.
- B. Authorization Required Prior to Parallel Operation
1. The cooperative shall use reasonable efforts to list applicable parallel operation requirements in attachment E of this agreement. Additionally, the cooperative shall notify the interconnection member of any changes to the conditions as soon as they are known. The cooperative shall make reasonable efforts to cooperate with the interconnection member in meeting requirements necessary for the interconnection member to commence parallel operations by the desired in-service date.
 2. The interconnection member shall not operate its SGF in parallel with the cooperative's distribution system or the transmission provider's system without the prior written authorization of the cooperative and the transmission provider. The cooperative will provide such authorization once the cooperative receives notification that the interconnection member has complied with all the applicable parallel operation requirements. Such approvals shall not be unreasonably withheld, conditioned, or delayed.
- C. Right of Access
1. Upon reasonable notice, the cooperative may send a qualified person to the premises of the interconnection member at or immediately before the time the SGF first produces energy to inspect the interconnection and observe the commissioning of the SGF (including any required testing), startup and operation for a period of up to three business days after initial start-up of the unit(s). In addition, the interconnection member shall notify the cooperative at least five business days before conducting any on-site verification testing of the SGF.



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2. Following the initial inspection process described above, at reasonable hours and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the cooperative shall have access to the interconnection member's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this agreement or if necessary to meet its legal obligation to provide service to its members.
3. Each party shall be responsible for its costs associated with following this article.

III. Effective Date, Term, Termination, and Disconnection

A. Effective Date

This agreement shall become effective upon execution by the parties subject to acceptance by FERC (if applicable) or if filed unexecuted, upon the date specified by the FERC. The cooperative or the transmission provider shall promptly file this agreement with the FERC upon execution if required.

B. Term of the Agreement

This agreement shall become effective on the effective date and shall remain in effect unless terminated per section III.C. of this agreement.

C. Termination

No termination shall become effective until the parties have complied with all applicable laws and regulations applicable to such termination.

1. The interconnection member may terminate this agreement at any time by giving the cooperative 90 days written notice.
2. Either party may terminate this agreement after a default according to Section VI.F.
3. Upon termination of this agreement, the SGF will be disconnected from the cooperative's distribution system. The terminating party shall bear all costs required to effectuate such disconnection unless such termination resulted from the non-terminating parties default of this DGIA or such a non-terminating party otherwise is responsible for these costs under this DGIA.
4. The termination of this agreement shall not relieve either party of its liabilities and obligations, owned or continuing at the time of the termination.
5. The provisions of this Article shall survive the termination or expiration of this agreement.



D. Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under good utility practice.

1. Emergency Condition

“Emergency Condition” shall mean a condition or situation 1) that in the judgment of the party making the determination is imminently likely to endanger life or property, 2) that, in the case of the cooperative, is imminently expected (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the transmission or distribution systems of others to which the SGF is directly connected, 3) that, in the case of the interconnection member, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the SGF or the interconnection member’s interconnection facilities. Under emergency conditions, the cooperative or transmission provider may immediately suspend interconnection service and temporarily disconnect the SGF. The cooperative shall notify the interconnection member promptly when it becomes aware of an emergency condition that may reasonably be expected to affect the interconnection member’s operation of the SGF. The interconnection member shall notify the cooperative promptly when it becomes aware of an emergency condition that may reasonably be expected to affect the cooperative’s distribution system, transmission provider’s transmission system, or any affected systems. To the extent information is known, the notification shall describe the emergency condition, the extent of the damage or deficiency, the expected effect on the operation of both parties’ facilities and operations, its anticipated duration and the necessary corrective action(s).

2. Routine Maintenance, Construction, and Repair

The cooperative may interrupt interconnection service or curtail the output of the SGF and temporarily disconnect the SGF from the distribution or transmission system when necessary for routine maintenance, construction, and repairs on the distribution system or transmission system. The cooperative shall provide the interconnection member reasonable notice before such interruption. The cooperative shall use reasonable efforts to coordinate such reduction or temporary disconnection with the interconnection member.

3. Forced Outages

During any forced outage, the cooperative may suspend interconnection service to effect immediate repairs on the distribution system or



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transmission system. The cooperative shall use reasonable efforts to provide the interconnection member with prior notice. If not given advance notice, the cooperative shall, upon the request, supply of the interconnection member written documentation after the fact explaining the circumstances of the disconnection.

4. Adverse Operating Effects

The cooperative shall notify the interconnection member as soon practicable if based on good utility practice, operation of the SGF may cause disruption or deterioration of service to other members served from the same electric system, or if operating the SGF could cause damage to the distribution system or the transmission system or affected systems. Supporting documentation used to decide to disconnect shall be provided to the interconnection member upon request. If, after notice, the interconnection member fails to remedy the adverse operating effect within a reasonable time, the cooperative may disconnect the SGF. The cooperative shall provide the interconnection member with five business days' notice of such disconnection unless the provisions of article III.D.1. apply.

5. Modifications of the Small Generating Facility

The interconnection member must receive written authorization from the cooperative before making any change to the SGF that may have a material impact on the safety or reliability of the cooperative's distribution system. Such authorization shall not be unreasonably withheld. Modifications shall be performed in accordance with good utility practice. If the interconnection member makes such modifications without the cooperative's prior written authorization, the latter shall have the right to disconnect the SGF temporarily.

6. Reconnection

The parties shall cooperate to restore the SGF, interconnection facilities, and the distribution and transmission system(s) to their normal operating state as soon as reasonably practicable following a temporary disconnection.



IV. Interconnection Facilities Responsibility

A. Interconnection Facilities

1. The interconnection member shall pay for the cost of the interconnection facilities itemized in the estimate given of this agreement, per the cooperative's line extension policy. The cooperative shall provide the best estimate cost, including overheads, for the purchase and construction of its interconnection facilities and provide a detailed itemization of such expenses. Costs associated with interconnection facilities may be shared with other entities that may benefit from such facilities by agreement of the interconnection member, such other entities, and the cooperative.
2. The interconnection provider shall be responsible for its share of all reasonable expenses, including overheads associated with owning, operating, maintaining, repairing and replacing its interconnection facilities and operating, maintaining, repairing and replacing the distribution system provider's interconnection facilities.

B. Distribution Upgrades

The interconnection member shall follow the rules and regulations of the cooperative for its line extension policy.

V. Billing, Payment, and Financial Security

A. Billing and Payment Procedures and Final Accounting

The cooperative shall bill the interconnection member for the design, engineering, construction, and procurement costs of interconnection facilities and upgrades contemplated by this agreement. Within three months of completing the construction and installation of the cooperative's interconnection facilities and/or upgrades described in the attachments to this agreement, the interconnection provider shall provide the interconnection member with a final accounting report of any difference between 1) the interconnection member's cost responsibility for the actual cost of such facilities or upgrades, and 2) the interconnection member's previous aggregate payments to the interconnection provider for such facilities or upgrades. If the interconnection member's cost responsibility exceeds its previous aggregate payments, the cooperative shall invoice the interconnection member for the amount due, and the interconnection member shall make payment to the cooperative within 30 calendar days. If the interconnection member's previous aggregate payments exceed its cost responsibility under this agreement, the cooperative shall refund to the interconnection member an amount equal to the difference within 30 calendar days of the final accounting report.



B. Financial Security Arrangements

At the cooperative's option, at least 20 business days prior to the commencement of the design, procurement, installation or construction of discrete portion of the interconnection facilities and upgrades, the interconnection member shall provide the cooperative a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the interconnection provider and is consistent with the Uniform Commercial Code of jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring and installing the applicable portion of the interconnection provider's interconnection facilities and upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the interconnection provider under this agreement during its term. In addition:

1. The guarantee must be made by an entity that meets the creditworthiness requirements of the interconnection provider, and contain terms and conditions that guarantee payment of any amount that may be due from the interconnection member, up to an agreed-to maximum amount.
2. The letter of credit or surety bond will need to be issued by a financial institution or insurer reasonably acceptable to the interconnection provider and must specify a reasonable expiration date.

VI. Liability and Default Provisions

A. Assignment

Either party may assign this Agreement upon 15 business day's prior written notice and opportunity to object by the other party; provided that:

1. Either party may assign this agreement without the consent of the other party to any affiliate of the assigning party with an equal or higher credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning party under this agreement, provided that the interconnection member promptly notifies the cooperative of any such assignment;
2. The interconnection member shall have the right to assign this agreement, without the consent of the cooperative, for collateral security purposes to aid in providing financing for the SGF, provided that the interconnection member will promptly notify the cooperative of any such assignment.



3. Any attempted assignment that violates this article is void and ineffective. The assignment shall not relieve a party of its obligations, nor shall a party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance requirements as the interconnection member. Where required, consent to the assignment will not be unreasonably withheld, conditioned or delayed.

B. Limitation of Liability

Each party's liability to the other party for any loss, cost, claim, injury, liability or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this agreement, shall be limited to the amount of direct damage incurred. In no event shall either party be liable to the other party for any indirect, special, consequential or punitive damages, except as authorized by this agreement.

C. Indemnity

1. This provision protects each party from liability incurred to third parties as a result of carrying out the provisions of this agreement. Liability under this provision is exempt from the general limitations found in section VII.B.
2. The parties shall at all times indemnify, defend and hold the other party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees and all other obligations by or to third parties, arising out of or resulting from the other party's action or failure to meet its requirements under this agreement on behalf of the indemnifying party, except in cases of gross negligence or intentional wrongdoing by the indemnified party.
3. If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying party contest, settle or consent to the entry of a judgement with respect to, or pay in full, such claim.
4. If an indemnifying party is obligated to indemnify and hold any insured person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or another recovery.



5. Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure or delay in such notification shall not affect a party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

D. Consequential Damages

Other than as expressly provided for in this agreement, neither party shall be liable under any provision of this agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a party may be liable to the other party under another agreement will not be considered to be unique, indirect, incidental or consequential damages hereunder.

E. Force Majeure

1. As used in this article, a Force Majeure event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing."



2. If a Force Majeure event prevents a party from fulfilling any obligations under this agreement, the party affected by the Force Majeure event (affected party) shall promptly notify the other party, either in writing, in person, via electronic mail, or telephone, of the existence of the Force Majeure event. The notification must specify in reasonable detail the circumstances of the Force Majeure event, its expected duration, and the steps that the affected party is taking to mitigate the effects of the event on its performance. The affected party shall keep the other party informed continually of developments relating to the Force Majeure event until the event ends. The affected party will be entitled to suspend or modify its performance of obligations under this agreement (other than the responsibility to make payments) only to the extent that the use of reasonable efforts can not mitigate the effect of the Force Majeure event. The affected party will use reasonable efforts to resume its performance as soon as possible.

F. Default

1. No default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure event as defined in this agreement or the result of an act or omission of the other party. Upon default, the non-defaulting party shall give written notice of such default to the defaulting party. Except as provided in section VII.F.2., the defaulting party shall have 60 calendar days from receipt of the default notice within which to cure such default; provided however, if such default is not capable of cure within 60 calendar days, the defaulting party shall commence such remedy within 20 calendar days after notice and continuously and diligently complete such remedy within six months from receipt of the default notice; and, if cured within such time, the default specified in such notice shall cease to exist.
2. If a default is not cured as provided in this article, or if a default is not capable of being cured within the period provided for herein, the non-defaulting party shall have the right to terminate this agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that party terminates this agreement, to recover from the defaulting party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive the termination of this agreement.



VII. Insurance

A. Insurance Requirements for the Interconnection Member

The interconnection member shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken according to this agreement. The interconnection member shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be purchased from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the cooperative no later than ten business days before the anticipated commercial operation date and annually after that.

B. Insurance Requirements for the Interconnection Provider

The cooperative agrees to maintain general liability insurance consistent with commercial practice. Such insurance shall not exclude coverage for the liabilities undertaken according to this agreement.

C. Notice of Claims

The parties further agree to notify each other whenever an accident or incident occurs resulting in any injury or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.



VIII. Confidentiality

A. Confidential Information

Confidential information shall mean any confidential and proprietary information provided by one party to the other party that is clearly marked or otherwise designated "Confidential." For purposes of this agreement, all design, operating specifications and metering data provided by the interconnection member shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.

B. Information Excluded

Confidential information does not include information previously in the public domain, required to be publicly submitted or divulged by governmental authorities (after notice to the other party and after exhausting any opportunity to oppose such publication or release), or necessary to be revealed in action to enforce this agreement. Each party receiving confidential information shall hold such information in confidence and shall not disclose it to any third party nor the public without the prior written authorization from the party providing that information, except to fulfill obligations under this agreement, or to fulfill legal or regulatory requirements.

1. Each party shall employ at least the same standard of care to protect confidential information obtained from the other party as it applies to protect its confidential information
2. Each party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of confidential information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

C. Request from Regulatory Entities

Requests from a state regulatory body conducting a confidential investigation shall be treated in a manner consistent with the applicable state rules and regulations.



IX. Disputes

A. Dispute Resolution

The parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

B. Notice of Dispute

In the event of a dispute, either party shall provide the other party with a written Notice of Dispute. Such notice shall describe in detail the nature of the dispute.

C. Good Faith Negotiation

Each party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third parties.

D. Additional Measures

If the attempted dispute resolution fails, then either party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this agreement.

X. Taxes

A. Tax Requirements

The parties agree to follow all applicable tax laws and regulations.

B. Exemptions

Each party shall cooperate with the other to maintain the other party's tax status. Nothing in this agreement is intended to affect the cooperative's tax-exempt status adversely.

XI. Miscellaneous

A. Governing Law, Regulatory Authority and Rules

The validity, interpretation, and enforcement of this and each of its provisions shall be governed by the state of Kansas (where the Point of Interconnection is located), without regard to its conflicts of law principles. This agreement is subject to all applicable laws and regulations. Each party expressly reserves the right to seek changes in, appeal or otherwise contest any laws, orders or regulations of governmental authority.

B. Amendment

The parties may amend this agreement by a written instrument duly executed by both parties.

C. No Third-Party Beneficiaries

This agreement is not intended to and does not create rights, remedies or benefits of any character whatsoever in favor of any persons, corporations, associations or entities other than the parties, and the obligations herein assumed are solely for the use and benefit of the parties, their successors in interest and where permitted, their assigns.



D. Waiver

1. The failure of a party to this agreement to insist, on any occasion, upon strict performance of any provision of this agreement will not be considered a waiver of any obligation, right or a duty of, or imposed upon, such party.
2. Any waiver at any time by either party of its rights concerning this agreement shall not be deemed a continuing waiver or a waiver for any other failure to comply with any other obligation, right, or duty of this agreement. Termination or default of this agreement for any reason by interconnection members shall not constitute a waiver of the interconnection member's legal rights to obtain an interconnection from the cooperative. Any waiver of this agreement shall, if requested, be provided in writing.

E. Entire Agreement

This agreement, including all attachments, constitutes the entire agreement between the parties regarding the subject matter hereof and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the parties concerning the subject matter of this agreement. There are no other agreements, representations, warranties or covenants which constitute any part of the consideration for, or any condition to, either party's compliance with its obligations under this agreement. The interconnection provider's tariff will supersede any rules and regulations set in this agreement.

F. Multiple Counterparts

This agreement may execute in two or more counterparts, each of which can be deemed an original but all constitute one and the same instrument.

G. No Partnership

This agreement shall not be interpreted or construed to create an association, joint venture, agency, relationship, or partnership between the parties or to impose any partnership obligation or partnership liability upon either party. Neither party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to bind otherwise, the other party.

H. Severability

If any provision or portion of this agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other governmental authority, 1) such portion or provision shall be deemed separate and independent, 2) the parties shall negotiate in good faith to restore insofar as practicable the benefits to each party that were affected by such ruling, and 3) the remainder of this agreement shall remain in full force and effect.



I. Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all transmission providers, market participants, and interconnection members interconnected to electrical systems to comply with the recommendations offered by the Presidents' Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

1. In such instances where the Interconnection Member's facilities have physically been compromised or when the Interconnection Member is aware that unauthorized parties have gained access to the interconnection facilities, either those of the Interconnection Provider or the Interconnection Member, the Interconnection Member shall notify the Interconnection Provider as promptly as possible.
2. In such instances when a cyber-security incident occurs on their network, control servers, applications, or any other ancillary systems operating on the same electronic network as their control software, the Interconnection Member shall notify the Interconnection Provider immediately.

J. Environmental Releases

Each party shall notify the other party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any remediation activities related to the SGF or the interconnection facilities, each of which may reasonably be expected to affect the other party. The notifying party shall 1) provide the notice as soon as practicable, provided such party makes a reasonable effort to ensure the notice no later than 24 hours after such party becomes aware of the occurrence, and 2) promptly furnish to the other party copies of any publicly available reports filed with any governmental authorities addressing such events.

K. Subcontractors

Nothing in this agreement shall prevent a party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this agreement; provided, however, that each party shall require its subcontractors to comply with all applicable terms and conditions of this agreement in providing such services and each party shall remain primarily liable to the other party for the performance of such subcontractor.



1. The creation of any subcontract relationship shall not relieve the hiring party of any of its obligations under this agreement. The hiring party shall be fully responsible to the other party for the acts or omissions of any subcontractor the party hires as if no subcontractor had been made; provided, however, that in no event shall the transmission provider be liable for the actions or inactions of the interconnection member or its subcontractors with respect to obligations of the interconnection member under this agreement. Any applicable obligation imposed by this agreement upon the hiring party shall be equally binding upon and shall be construed as having an application to, any subcontractor of such party.
2. The obligations under this article will not be limited in any way by any limitation of the subcontractor's insurance.

XII. Notices

A. General

Unless otherwise provided in this agreement, any written notice, electronic notice, demand or request required or authorized in connection with this agreement ("Notice") shall be deemed properly given if delivered in person, delivered by a recognized national courier service, or sent by first class mail, postage paid, to the person specified below:

If to the interconnection member:

Organization: _____
Attention: _____
City: _____ ST: _____ Zip: _____
Phone: _____ Fax: _____
Email Address: _____

If to the cooperative:

Organization: The Victory Electric Cooperative Association, Inc.
Attention: Jeff Hubbell
Address: PO Box 1335, 3230 N. 14th Ave.
City: Dodge City ST: Kansas Zip: 67801
Phone: 620-227-2139 Fax: 620-227-8819
Email Address: jhubbell@victoryelectric.net

B. Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection member: _____
Attention: _____



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Address: _____
City: _____ ST: _____ Zip: _____
Phone: _____ Fax: _____
Email Address: _____

Interconnection provider: The Victory Electric Cooperative Association, Inc.
Attention: Jeff Hubbell
Address: PO Box 1335, 3230 N 14th Ave.
City: Dodge City ST: Kansas Zip: 67801
Phone: 620-227-2139 Fax: 620-227-8819
Email Address: jhubbell@victoryelectric.net

C. Alternative Forms of Notice

Any notice or request required or permitted to be given by either party to the other and not required by this agreement to be given in writing may be so given by telephone, facsimile or electronic mail to the telephone numbers and email addresses set out above.

D. Designated Operating Representative

The parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this agreement. This person will also serve as the point of contact concerning the operations and maintenance of the party's facilities.

Interconnection member's operating representative:

Interconnection Member: _____
Attention: _____
Address: _____
City: _____ ST: _____ Zip: _____
Phone: _____ Fax: _____
Email Address: _____

Cooperative's operating representative:

Interconnection Provider: The Victory Electric Cooperative Association, Inc.
Attention: Jeff Hubbell Address: PO Box 1335, 3230 N 14th Ave.
City: Dodge City ST: Kansas Zip: 67801 Phone: 620-227-2139
Fax: 620-227-8819 Email Address: jhubbell@victoryelectric.net



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E. Changes to the Notice Information

Either party may change this information by giving five business days written notice prior to the effective date of the change.

XIII. Signatures

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their respective duly authorized representatives.

For the cooperative

Name: _____

Title: _____

Date: _____

For the Interconnection member

Name: _____

Title: _____

Date: _____



XIV. Attachments

A. Glossary of Terms

Affected System – An electric system other than the transmission provider's transmission system that may be affected by the proposed interconnection.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any governmental authority.

Business Day - Monday through Friday, excluding federal holidays.

Cooperative – The Victory Electric Cooperative Association, Inc. For purposes of this agreement, also known as the Interconnection Provider.

Default – The failure of a breaching party to cure its breach under the Small Generator Interconnection Agreement (SGIA).

Distribution System – The cooperative's or transmission provider'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 that transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the transmission provider's distribution system at or beyond the Point of Interconnection to facilitate the interconnection of the Small Generating Facility (SGF) and render the transmission service necessary to effect the Interconnection member's wholesale sale of electricity in interstate commerce. Distribution upgrades do not include interconnection facilities.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business



practices, reliability, safety and expedition. Good utility practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the interconnection member, the interconnection provider, or any affiliate thereof.

Interconnection Member – Any entity, including the transmission provider, the transmission owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its SGF with the transmission provider's transmission system.

Interconnection Facilities – The transmission provider's interconnection facilities and the interconnection member's interconnection facilities. Collectively, interconnection facilities include all facilities and equipment between the SGF and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the SGF to the transmission provider's transmission system or distribution system. Interconnection facilities are sole use facilities and shall not include distribution upgrades or network upgrades.

Interconnection Provider – The cooperative, and/or, the generation and transmission cooperative providing contractual wholesale power and transmission services, or the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity. The term interconnection provider should be read to include the transmission owner when the transmission owner is separate from the interconnection provider.

Interconnection Request – The interconnection member's request to interconnect a new SGF, or to increase the capacity of, or make a material modification to the operating characteristics of, an existing SGF that is interconnected with the transmission provider's transmission system.



Material Modification – A modification that has a material impact on the cost or timing of any interconnection request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the transmission provider's transmission system required at or beyond the point at which the SGF interconnects with the transmission provider's transmission system to accommodate the interconnection of the SGF with the transmission provider's transmission system. Network upgrades do not include distribution upgrades.

Operating Requirements – Any operating and technical requirements that may be applicable due to regional transmission organization, independent system operator, control area, or the transmission provider's requirements, including those set forth in the SGIA.

Party or Parties – The transmission provider, transmission owner, interconnection provider, interconnection member, or any combination of the above.

Point of Interconnection – The point where the interconnection facilities connect with the transmission provider's transmission system.

Reasonable Efforts – With respect to an action required to be attempted or taken by a party under the SGIA, efforts that are timely and consistent with good utility practice and are otherwise substantially equivalent to those a party would use to protect its interests.

Small Generating Facility (SGF) – The interconnection member's device for the production of electricity identified in the interconnection request, but shall not include the interconnection member's interconnection facilities.

Tariff – The transmission provider or affected system's tariff through which open access transmission service and interconnection service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.



Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the transmission system or distribution system at the Point of Interconnection and may be a party to the SGIA to the extent necessary.

Transmission Provider – The cooperative, the generation, and transmission cooperative providing contractual wholesale power and transmission services, or the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity. The term “transmission provider” should be read to include the transmission owner when the transmission owner is separate from the interconnection provider.

Transmission System – The facilities owned, controlled, or operated by the transmission provider or the transmission owner that are used to provide transmission service under the tariff.

Upgrades – The required additions and modifications to the transmission provider's transmission system at or beyond the Point of Interconnection. Upgrades may be network upgrades or distribution upgrades. Upgrades do not include interconnection facilities.

B. SGF Equipment Description, Identification and Responsibilities

Equipment, including the SGF, interconnection facilities, and metering equipment shall be itemized and identified as being owned by the interconnection member, the interconnection provider, or the transmission owner. The interconnection provider will provide a best estimate itemized cost, including overheads, of its interconnection facilities and metering equipment, and the best estimate itemized cost of the annual operation and maintenance expenses associated with its interconnection facilities and metering equipment.

C. SGF One-Line Diagram

Provide a One-Line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades.

D. Interconnection Provider's Additional Requirements

Describe the Additional operating requirements for the Interconnection Provider's Transmission System and Affected Systems needed to support the Interconnection Member's needs.



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The interconnection provider shall also provide requirements that must be met by the interconnection member before initiating a parallel operation with the interconnection provider's transmission system.

E. Interconnection Provider's Upgrade Description

The interconnection provider shall describe upgrades and provide an itemized best estimate of the cost, including overheads of the upgrades and annual operation and maintenance expenses associated with such upgrades. The interconnection member shall functionalize upgrade costs and yearly expenses as either distribution or transmission related.