



Mason County PUD No. 1

Net Energy Metering Interconnection Agreement

Customer Owned Fuel Cell, Solar, Wind, Biogas, Combined Heat and Power or Hydropower Electric Generating Facilities of 100 Kilowatts or Less

This Net Energy Metering Interconnection Agreement is executed in duplicate this ____ day of _____, 2010 between _____ (hereinafter referred to as "Customer"), and Public Utility District No. 1 of Mason County (hereinafter referred to as "Utility"). Both parties, who may be herein further referred to collectively as "Parties" and individually as "Party", agree as follows:

1. Customer Electric Generating Facility

- 1.1. Customer has elected, in accordance with RCW 80.60 et seq., to operate either a net energy metered fuel cell, facility that produces electricity and used and useful thermal energy from a common fuel source, or a facility that uses water, wind, solar energy, or biogas from animal waste as a fuel as set forth in chapter 80.60 RCW with a generating capacity of not more than one hundred (100) kilowatts, in parallel with the utility's transmission and distribution facilities. The customer's electric generating facility (generating facility) is intended to offset either part or all of the Customer's electrical requirements.
- 1.2. Public Utility District No. 1 of Mason County will not provide wheeling for Customer as generation from the net metering electrical generating facility will only be applied to consumption at the location of said electrical generating facility.
- 1.3. Customer's Application for Interconnecting a Generating Facility no larger than 100 KW, including the location of the electrical generating installation facility and details on the electrical generating unit(s) is hereby incorporated into this agreement as Attachment A which is attached hereto and incorporated herein by this reference.
- 1.4. The installation is identified by the utility with the following designators: Transformer No. (feeder and phase) _____, Customer Utility Account No. _____.
- 1.5. A separate agreement shall be entered into for each Customer's electrical service location(s).
- 1.6. The electrical generating system facility used by the Customer shall be located on the Customer's premises. It shall include all equipment necessary to meet applicable safety, power quality, and Interconnection requirements established by the National Electrical Code (Articles 690 and 705), National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, and the utility's standards for Interconnection With Electric Generators, as set forth in Appendix B, which is attached hereto.
- 1.7. The utility shall have the sole authority to determine which Interconnection requirements set forth herein are applicable to Customer's proposed generating facility.

2. Payment for Net Energy

- 2.1. The utility shall measure the net electricity produced or consumed by the Customer during each billing period, in accordance with normal metering practices.
- 2.2. If the electricity supplied by the utility exceeds the electricity generated by the Customer during the billing period, or any portion thereof, then the Customer shall be billed for the net electricity supplied by the utility together with the appropriate customer charge paid by other customers of the utility in the same rate class.
- 2.3. If the electricity generated by the Customer during the billing period, exceeds the electricity supplied by the utility, then the Customer shall be:
 - 2.3.1. billed for the appropriate customer service charge as other customers of the utility in the same rate class; and
 - 2.3.2. credited for the net excess kilowatt-hours generated during the billing period, with this kilowatt-hour credit appearing on Customer's bill for the following billing period.
- 2.4. On April 30th of each calendar year, any remaining unused kilowatt-hour credit accumulated during the previous year shall be granted to the PUD, without any compensation to the Customer.
- 2.5. Customer shall pay any amount owing for electric service provided by the utility in accordance with applicable rates and policies. Nothing in this Section 2 shall limit utility's rights under applicable Rate Schedules, Customer Service Policies, and General Provisions.

3. Interruption or Reduction of Deliveries

- 3.1. The utility may require Customer to interrupt or reduce deliveries as follows:
 - 3.1.1. when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or part of its system; or
 - 3.1.2. if it determines that curtailment, interruption, or reduction is necessary because of emergencies, force or compliance with prudent electrical practices.
 - 3.1.3. forces beyond the control of the utility
- 3.2. Whenever possible, the utility shall give Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required.
- 3.3. Notwithstanding any other provision of this Agreement, if at any time the utility determines that either:
 - 3.3.1. the generating facility may endanger utility personnel, or
 - 3.3.2. the continued operation of Customer's generating facility may endanger the integrity of the utility's electric system,
- 3.4. If any of the forgoing occurs, the utility shall have the right to temporarily or permanently disconnect Customer's generating facility from the utility's electric system. Customer's generating facility shall remain disconnected until such time as the utility is satisfied that the condition(s) referenced in 3.1.1. or 3.1.2. of this section 3 have been corrected.

4. Interconnection

- 4.1. Customer shall deliver the excess energy to the utility at the utility's meter.
- 4.2. Customer shall pay for designing, installing, inspecting, operating, and maintaining the electric generating facility in accordance with all applicable laws and regulations and shall comply with the utility's standards for Interconnection with Electric Generators set forth in Appendix B, which is attached hereto and incorporated herein by this reference.

- 4.3. Customer shall pay for the utility's standard watt-hour meter electrical hook-up, if not already present.
- 4.4. Customer shall not commence parallel operation of the generating facility until written approval of the Interconnection facilities has been given by the utility. Such approval shall not be unreasonably withheld. The utility shall have the right to have representatives present at the initial testing of Customer's protective apparatus. Customer shall notify the utility when testing is to take place.

5. Maintenance and Permits

5.1. Customer shall:

- 5.1.1. maintain the electric generating facility and Interconnection facilities in a safe and prudent manner and in conformance with all applicable laws and regulations including, but not limited to, the utility's Interconnection Standards;
- 5.1.2. obtain any governmental authorizations and permits required for the construction and operation of the electric generating facility and Interconnection facilities, including electrical permit(s); and
- 5.1.3. reimburse the utility for any and all losses, damages, claims, penalties, or liability it incurs as a result of customer's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of customer's generating facility or failure to maintain Customer's generating facility as required in this agreement

6. Access to Premises

6.1. The utility may enter customer's premises or property to:

- 6.1.1. inspect, with prior notice, at all reasonable hours, customer's generating facility's protective devices;
- 6.1.2. read meter; and
- 6.1.3. disconnect at the utility's meter or transformer, without notice, the generating facilities if, in the utility's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or the utility's facilities, or property of others from damage or interference caused by Customer's electric generating facilities, or lack of properly operating protective devices or inability to inspect the same.

6.2. The utility's inspection of the customer's facilities or other action shall not constitute approval of the facilities by the utility. The customer remains solely responsible for the safe and adequate operation of its facilities.

7. Indemnity and Liability

- 7.1. The Customer assumes the risk of all damages, loss, cost and expense and agrees to indemnify and hold harmless the utility, its successors and assigns, and its respective commissioners, , employees and agents, from and against any and all claims, losses, costs, liabilities, damages and expenses including, but not limited to, reasonable attorney fees, resulting from or in connection with performance of the agreement or which may occur or be sustained by the Utility on account of any claim or action brought against the utility for any reason arising out of the Interconnection, maintenance, operation, use, presence, or removal of Customer's equipment, including, but not limited to, damages to Customer's facilities caused by or arising out of an electrical disturbance.
- 7.2. The Customer's indemnity, protection, and hold harmless includes any demand, claim, suit or judgment for damages, death or bodily injury to all persons, including officers, employees or agents, and subcontractors of either Party hereto including payment made under or in connection with any Worker's Compensation Law or under any plan for employees' disability and death benefits or property loss which may be caused or contributed to by the Interconnection, maintenance, operation, use,

presence, or removal of Customer's equipment. The only exception will be liability occasioned by the sole negligence or willful misconduct of the utility or its employees acting within the scope of their employment and liability occasioned by a partial negligence of the utility or its employees acting within the scope of their employment to the extent that such partial liability is fixed by a court of competent jurisdiction.

- 7.3. The provisions of the Section 7 shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any insurance policy.
- 7.4. The utility shall have no liability, ownership interest, control or responsibility for the Customer's Electric Generating Facility or its Interconnection with the utility's electric system, regardless of what the utility knows or should know about the Customer's Electric Generating Facility or its Interconnection.
- 7.5. Customer recognizes that it is waiving immunity under Washington Industrial Insurance law, Title 51 RCW, and further agrees that this indemnification clause has been mutually negotiated. This indemnification shall extend to and include attorney's fees and the costs of establishing the right of indemnification hereunder in favor of the utility.

8. Independent Contractors

8.1. The Parties hereto are independent contractors and shall not be deemed to be partners, joint ventures, employees, franchisees or franchisers, servants or agents of each other for any purpose whatsoever under or in connection with this Agreement.

9. Governing Law

9.1. This Agreement shall be interpreted, governed, and constructed under the laws of the State of Washington as if executed and to be performed wholly within the State of Washington. Venue of any action arising hereunder or related to this agreement shall lie in Mason County, Washington.

10. Future Modification or Expansion

10.1. Any future modification or expansion of the Customer owned generating facility will require an engineering, safety and reliability review and approval by the utility. The utility reserves the right to deny the modification or expansion or to require the Customer, at Customer's expense, to provide modifications or additions to existing electrical devices including, but not limited to protection device and meters, in the event of changes to government or industry regulation and/or standards.

11. Amendments, Modifications or Waiver

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

12. Assignment

12.1. The Customer shall not assign its rights under this Agreement without the express written consent of the utility. The utility may impose reasonable conditions on any such assignment to ensure that all of Customer's obligations under this Agreement are met and that none of Customer's obligations under this Agreement are transferred to the utility as a result of default, bankruptcy, or any other cause.

13. Appendices

13.1. The Agreement includes the following appendices attached and incorporated by reference:

13.1.1. Attachment A: Application for Net Metered Electrical Generation to Public Utility District No. 1 of Mason County.

13.1.2. Attachment B: Public Utility District No. 1 of Mason County Net Metering Interconnection Standards for Customer Electric Generating Facilities of 100 Kilowatts or Less.

14. Notices

14.1. All written notices shall be directed as follows:

PUD #1 of Mason County
Attn: Net Metering Program
N. 21971 Hwy 101
Shelton, WA. 98584

Customer Name

Address

City, State & Zip

14.1.1. Customer notices to Utility, pursuant to Section 15, shall refer to the Service Address set forth in Appendix A, Application for Net Metered Electrical Generation.

15. Term of Agreement

15.1 This Agreement shall be in effect when signed by the Customer and the Utility and shall remain in effect thereafter month to month unless terminated by either Party on thirty (30) days' prior written notice in accordance with Section 14.

16. Signatures

16.1. IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives.

16.2 This Agreement is effective as of the last date set forth below.

Customer: <i>(Print Name)</i>	PUD #1 of Mason County
Signature:	Signature:
	Print name: Steven N. Taylor
Title: Customer	Title: General Manager
Date:	Date: