



PRINCETON PUBLIC UTILITIES

Electricity — Water

907 FIRST STREET / PO BOX 218 / PRINCETON, MN 55371-0218
TEL: 763-389-2252 / FAX: 763-389-2273

CONTRACT FOR COGENERATION AND SMALL POWER PRODUCTION FACILITIES

THIS CONTRACT (“Contract”) is made this _____ day of _____, 20____, by and between _____ (the “Customer”) and Princeton Public Utilities, a Minnesota municipal utility located at 907 1st Street, Princeton Minnesota 55371 (the “Utility”) (each a “Party” and collectively the “Parties”).

RECITALS

The Customer has installed electric generating facilities, consisting of _____ rated at _____ kilowatts AC of electricity, on property located at _____.

The Customer is an electric service recipient named on a service account of the Utility.

The Customer is prepared to generate electricity in parallel with the Utility.

The Customer's electric generating facilities meet the requirements of the Rules Governing Cogeneration and Small Power Production Facilities adopted by the Utility and any technical standards for interconnection the Utility has established that are authorized by those rules.

The Utility is obligated under federal and Minnesota law to accommodate interconnection with the Customer's facilities and to purchase electricity offered for sale by the Customer from those facilities.

A contract between the Customer and the Utility is required for operation of facilities interconnected with the Utility system.

AGREEMENTS

The Customer and the Utility agree:

- a. The Utility will sell electricity to the Customer under the rate schedule in force for the class of customer to which the Customer belongs.
- b. The Utility will buy electricity from the Customer under the current rate schedule filed with the Princeton Public Utilities Commission. The Customer elects the rate schedule category hereinafter indicated:

- ___ Average retail utility energy rate (Facilities capacity must be less than 40 kW)
- ___ Simultaneous purchase and sale billing rate (Facilities capacity must be less than 40 kW)
- ___ Roll-over credits (Facilities capacity must be less than 40 kW)
- ___ Time-of-day purchase rates. (Facilities capacity must be 40 kW or more and less than or equal to 100 kW)

- c. A copy of the presently approved rate schedule is attached to this contract.
- d. The rates for sales and purchases of electricity may change over the time this contract is in force, due to actions of the Utility or the State of Minnesota, and the Customer and the Utility agree that sales and purchases will be made under the rates in effect each month during the time this contract is in force.
- e. The Utility will compute the charges and payments for purchases and sales for each billing period. Any net credit to the Customer, other than kilowatt-hour credits under clause 2(c), will be made under one of the following options as chosen by the Customer.

___ Credit to the Customer's account with the Utility.

___ Paid by check or electronic payment service to the Customer within fifteen (15) days of the billing date.

- f. Renewable energy credits associated with generation from the facility are owned by:

_____.

- g. The Customer must operate their electric generating facilities within any rules, regulations, and policies adopted by the Utility not prohibited by the rules governing cogeneration and small power production facilities on the Utility's system which provide reasonable technical connection and operating specifications for the facilities and are consistent with the Minnesota Public Utilities Commission's rules adopted under Minnesota Statutes §216B.164, subdivision 6.
- h. The Customer will not enter into an arrangement whereby electricity from the generating facilities will be sold to an end user in violation of the Utility's exclusive right to provide electric service in its service area under Minnesota Statutes, Section 216B.37-44.
- i. The Customer will operate their electric generating facilities so that they conform to the national, state, and local electric and safety codes, and the Customer will be responsible for the costs of conformance.
- j. The Customer is responsible for the actual, reasonable costs of interconnection which are estimated to be \$_____. The Customer will pay the Utility in this way:

-
- k. The Customer will give the Utility reasonable access to its property and electric generating facilities if the configuration of those facilities does not permit disconnection or testing from the Utility's side of the interconnection. If the Utility enters the Customer's property, the Utility will remain responsible for its personnel.
 - l. The Utility may stop providing electricity to the Customer during a system emergency. The Utility will not discriminate against the Customer when it stops providing electricity or when it resumes providing electricity.
 - m. The Utility may stop purchasing electricity from the Customer when necessary for the Utility to construct, install, maintain, repair, replace, remove, investigate, or inspect any equipment or facilities within its electric system. The Utility may stop purchasing electricity from the Customer in the event the generating facilities listed in this contract are documented to be causing power quality, safety or reliability issues to the Utility's electric distribution system.
 - n. The Utility will notify the Customer in this way before it stops purchasing electricity:

-
- o. The Customer will keep in force general liability insurance against personal or property damage due to the installation, interconnection, and operation of its electric generating facilities. The amount of insurance coverage will be \$ _____. (The amount must be consistent with requirements for like-sized facilities under the interconnection process or distributed generation tariff adopted by the Utility pursuant to Minnesota Statutes §216B.1611, subdivision 3, clause 2.)
 - p. The Customer and the Utility agree to attempt to resolve all disputes arising hereunder promptly and in a good faith manner.
 - q. The Princeton Public Utilities Commission has authority to consider and determine disputes, if any, that arise under this contract in accordance with procedures in the rules it adopts implementing Minnesota Statutes Section 216B.164, pursuant to subdivision 9 thereunder.
 - r. This contract becomes effective as soon as it is signed by the Customer and the Utility. This contract will remain in force until either the Customer or the Utility gives written notice to the other that the contract is canceled. This contract will be canceled thirty (30) days after notice is given. If the listed electric generating facilities are not interconnected to the Utility's distribution system within twelve months of the contract being signed by the Customer and the Utility, the contract terminates. The Customer and the Utility may delay termination by mutual agreement.
 - s. Neither of the Parties will be considered in default as to any obligation if either of the Parties are prevented from fulfilling the obligation due to an act of nature, labor disturbance, act of public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, an order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or other cause beyond the Party's control.

However, the Party whose performance under this contract is hindered by such an event shall make all reasonable efforts to perform its obligations.

- t. This contract can only be amended or modified by mutual agreement in writing signed by the Parties.
- u. The Customer must notify the Utility prior to any change in the electric generating facilities' capacity size or generating technology according to the interconnection process adopted by the Utility.
- v. Termination of this contract is allowed
 - (i) by the Customer at any time without restriction;
 - (ii) by Mutual Agreement between the Parties;
 - (iii) upon abandonment or removal of electric generating facilities by the Customer;
 - (iv) by the Utility if the electric generating facilities are continuously non-operational for any twelve (12) consecutive month period;
 - (v) by the Utility if the Customer fails to comply with applicable interconnection design requirements or fails to remedy a violation of the interconnection process; or
 - (vi) by the Utility upon breach of this contract by the Customer unless cured with notice of cure received by the Utility prior to termination.
- w. In the event this contract is terminated, the Utility shall have the rights to disconnect its facilities or direct the Customer to disconnect its generating facilities.
- x. This contract shall continue in effect after termination to the extent necessary to allow either of the Parties to fulfill rights or obligations that arose under the contract.
- y. Transfer of ownership of the generating facilities shall require the new owners and the Utility to execute a new contract. Upon the execution of a new contract with the new owners this contract shall be terminated.
- z. The Parties shall at all times indemnify, defend, and save each other harmless from any and all damages, losses, claims, including claims and actions relating to injury or death of any person or damage to property, costs and expenses, reasonable attorneys' fees and court costs, arising out of or resulting from the Customer's or the Utility's performance of its obligations under this contract, except to the extent that such damages, losses or claims were caused by the negligence or intentional acts of the Customer or the Utility.
- aa. The Parties will each be responsible for their own acts or omissions and the results thereof to the extent authorized by law and shall not be responsible for the acts or omissions of any others and the results thereof.
- bb. The Parties' liability to each other for failure to perform their obligations under this contract shall be limited to the amount of direct damage actually occurred. In no event, shall the Customer or the Utility be liable to each other for any punitive, incidental, indirect, special, or consequential damages of any kind whatsoever, including for loss of business opportunity

or profits, regardless of whether such damages were foreseen.

cc. The Utility does not give any warranty, expressed or implied, to the adequacy, safety, or other characteristics of the Customer's interconnected system.

dd. This contract contains all the agreements made between the Parties. The Parties are not responsible for any agreements other than those stated in this contract.

THE PARTIES HAVE READ THIS CONTRACT AND AGREE TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY HAVE EACH SIGNED THIS CONTRACT BELOW.

CUSTOMER

By: _____

Printed Name: _____

PRINCETON PUBLIC UTILITIES

By: _____

Printed Name: _____

Its: _____