

## Appendix C

### Sample Net Energy Metering Interconnection Agreement

#### **Customer Owned Cogeneration and Small Power Production Electric Generating Facilities of 300 Kilowatts or Less**

This Net Energy Metering Interconnection Agreement is executed in duplicate this \_\_\_\_ day of \_\_\_\_\_, 200\_\_ between \_\_\_\_\_ (hereinafter referred to as "Customer"), and Avista Utilities. 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. Customer has elected to operate either a net energy metering fuel cell, solar, wind or hydropower electric generating facility, with a generating capacity of not more than twenty-five kilowatts, in parallel with Avista Utilities' 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.
2. **Avista Utilities** 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.
3. Customer's Application for Net Metered Electrical Generation, 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.
4. The installation is identified by Avista Utilities with the following designators: Transformer No. (feeder and phase) \_\_\_\_\_, Customer Avista Utilities Account No. \_\_\_\_\_.
5. A separate agreement shall be entered into for each Customer's electrical service location(s).
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 Avista Utilities' Net Metering Interconnection Standards, as set forth in Attachment B, which is attached hereto.
7. **Avista Utilities** 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

1. **Avista Utilities** shall measure the net electricity produced or consumed by the Customer during each billing period, in accordance with normal metering practices.

2. If the electricity supplied by Avista Utilities exceeds the electricity generated by the Customer and fed back to Avista Utilities during the billing period, or any portion thereof, then the Customer shall be billed for the net electricity supplied by Avista Utilities together with the appropriate customer charge paid by other customers of Avista Utilities in the same rate class.

3. If the electricity generated by the Customer and distributed back to Avista Utilities during the billing period, or any portion thereof, exceeds the electricity supplied by Avista Utilities, then the Customer shall be:

a. billed for the appropriate customer service charge as other customers of Avista Utilities in the same rate class; and

b. 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.

1. At the beginning of each calendar year, any remaining unused kilowatt-hour credit accumulated by the Customer during the previous year shall be granted to Avista Utilities, without any compensation to the Customer.

2. Customer shall pay any amount owing for electric service provided by Avista Utilities in accordance with applicable rates and policies. Nothing in this Section 2 shall limit Avista Utilities' rights under applicable Rate Schedules, City Ordinances, Customer Service Policies, and General Provisions.

### 3. INTERRUPTION OR REDUCTION OF DELIVERIES

1. **Avista Utilities** may require Customer to interrupt or reduce deliveries as follows:

a. when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or part of its system; or

b. if it determines that curtailment, interruption, or reduction is necessary because of emergencies, force or compliance with prudent electrical practices.

1. Whenever possible, Avista Utilities shall give Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required.

2. Notwithstanding any other provision of this Agreement, if at any time Avista Utilities determines that either:

a. the generating facility may endanger Avista Utilities personnel, or

b. the continued operation of Customer's generating facility may endanger the integrity of Avista Utilities' electric system,

**Avista Utilities** shall have the right to disconnect Customer's generating facility from **Avista Utilities'** electric system. Customer's generating facility shall remain disconnected until such time as Avista Utilities is satisfied that the condition(s) referenced in (a) of (b) of this section 3.3 have been corrected.

#### 4. INTERCONNECTION

1. Customer shall deliver the excess energy to Avista Utilities at **Avista Utilities'** meter.
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 **Avista Utilities'** Interconnection Standards set forth in Attachment B, which is attached hereto.
3. Customer shall pay for **Avista Utilities'** standard watt-hour meter electrical hook-up, if not already present.
4. Customer shall not commence parallel operation of the generating facility until written approval of the Interconnection facilities has been given by Avista Utilities. Such approval shall not be unreasonably withheld. Avista Utilities shall have the right to have representatives present at the initial testing of Customer's protective apparatus. Customer shall notify Avista Utilities when testing is to take place.

#### 5. MAINTENANCE AND PERMITS

Customer shall:

- a. 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, **Avista Utilities'** Interconnection Standards, and
- b. obtain any governmental authorizations and permits required for the construction and operation of the electric generating facility and Interconnection facilities, including electrical permit(s).
- c. reimburse Avista Utilities 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 (a) of this Section 5.

#### 6. ACCESS TO PREMISES

**Avista Utilities** may enter Customer's premises or property to:

- a. inspect, with prior notice, at all reasonable hours, Customer's generating facility's protective devices;
- b. read meter; and
- c. disconnect at **Avista Utilities'** meter or transformer, without notice, the generating facilities if, in **Avista Utilities'** opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or **Avista Utilities'** 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.

## 7. INDEMNITY AND LIABILITY

1. The Customer assumes the risk of all damages, loss, cost and expense and agrees to indemnify Avista Utilities, its successors and assigns, and its respective directors, officers, 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 Interconnection with performance of the agreement or which may occur or be sustained by Name of Avista Utilities on account of any claim or action brought against Avista Utilities for any reason including by not limited to loss to the electrical system of the Customer caused by or arising out of an electrical disturbance.
2. Such 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 Interconnection 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 Avista Utilities or its employees acting within the scope of their employment and liability occasioned by a partial negligence of Avista Utilities 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.
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.
4. **Avista Utilities** shall have no liability, ownership interest, control or responsibility for the Customer's Electric Generating Facility or its Interconnection with (**Name of Avista Utilities'**) electric system, regardless of what Avista Utilities knows or should know about the Customer's Electric Generating Facility or its Interconnection.
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 Avista Utilities.

## 8. INSURANCE

1. Customer shall maintain, during the term of this Agreement, General Comprehensive Personal Liability Insurance for personal injury and property damage with a combined single limit in an amount equal to that required by RCW 80.60 et. seq. Such insurance shall, by endorsement to the policy or policies, provide for thirty (30) calendar days written notice to Avista Utilities prior to cancellation, termination, attention, or material change of such insurance.

2. **Avista Utilities** shall be named as an additionally insured party and shall have the right to inspect or obtain a copy of the original policy or policies of insurance.

## 9. INDEPENDENT CONTRACTORS

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 Interconnection with this Agreement.

## 10. GOVERNING LAW

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 \_\_\_\_\_ County, Washington.

## 11. FUTURE MODIFICATION OR EXPANSION

Any future modification or expansion of the Customer owned generating facility will require an engineering review and approval by Avista Utilities. **Avista Utilities** reserves the right 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.

## 12. AMENDMENTS, MODIFICATIONS OR WAIVER

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.

## 13. ASSIGNMENT

The Customer shall not assign its rights under this Agreement without the express written consent of Avista Utilities. Avista Utilities 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 Avista Utilities as a result of default, bankruptcy, or any other cause.

## 14. APPENDICES

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

Attachment A: Application for Net Metered Electrical Generation to Avista Utilities.

Attachment B: Avista Utilities Net Metering Interconnection Standards for Customer Electric Generating Facilities of 300 Kilowatts or Less.

15. NOTICES

All written notices shall be directed as follows:

Name and address of Avista

Utilities: \_\_\_\_\_

Customer:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State & Zip

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

14. TERM OF AGREEMENT

This Agreement shall be in effect when signed by the Customer and Name of Avista Utilities 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 13.

15. SIGNATURES

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

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

CUSTOMER:	NAME OF AVISTA UTILITIES:
Signature	Signature
Print name	Print name
Title	Title
Date	Date