

4. The installation of a Q.F. is primarily intended to offset part of the Consumer's own electrical usage at this service location. Any excess energy produced that is not used by the Consumer may flow back onto the REMC's electrical system. This excess energy may be ignored or the Consumer may elect to sell the excess energy to the REMC. The metering installation will be different, depending on the option chosen.

No Energy Sold To REMC

When the Consumer simply desires to reduce the purchase of electric energy from the REMC, a single detent meter will be installed, which measures only the energy flowing from the REMC to the Consumer. Excess energy flowing back to the REMC's system is not recorded. REMC energy flowing to the Consumer will be charged at the standard retail rate.

Net metering or the reversal of the retail meter when excess energy flows onto the REMC system is not allowed.

Excess Energy Sold To REMC

Should the Consumer seek to sell excess energy to the REMC, a special meter installation is required. The meter will record the energy flowing to the Consumer, while also recording any excess energy flowing to the REMC's system. The excess energy delivered to the REMC system will be purchased at the "avoided cost".

5. All out-of-pocket expenses the REMC incurs in association with the planning, design, additional infrastructure investment, inspection, installation or operation of the Q.F., must be paid in advance to the operation of the generator, by the Consumer. REMC requires a \$1,000 deposit. If the total expenses are less than the deposit, the balance will be returned to the member. If the total expenses exceed the deposit, the balance due must be paid to the REMC prior to the operation of the Q.F. Such expenses would include but not be limited to: system upgrades, metering, relaying protection, labor cost, vehicle cost, etc.
6. The Q.F. installation must meet the minimum standards of the National Electric Code, the National Electric Safety Code and other governing codes. The Consumer shall install such electrical devices as may be necessary to assure the REMC, that all of its personnel, other members of the cooperative and all other persons or property that may come in contact with the system, are protected from any harm whatsoever. The completed installation must be inspected and approved by the REMC, prior to the operation of the generator.
7. The Consumer will be required to install a disconnect device on the load side of the meter in order to interrupt all incoming and outgoing power. The switch must have a mechanism which allows the REMC to lock it in an open position. REMC must have the ability to open the switch when working in the area, in order to protect workers. In addition, it will be used as a means of testing the safety features of the Q.F.
8. The Consumer must provide proof that ANSI rated and approved safety equipment is installed to prevent electrical backfeed onto the REMC system, at times when the REMC system is off. During the inspection and approval process, REMC will test to verify such safety devices are in place and working.

The Consumer understands and agrees that if additional Q.F facilities are installed on the REMC distribution system, REMC may require the Consumer to install additional safety devices, at Consumer's expense.

9. The Consumer agrees that the proposed installation shall not be permitted to cause harm to the REMC distribution system or to other persons or property that may come into contact with the system. The Consumer agrees that the on-site generator will be disconnected if it causes any radio, television, telephone or any electrical disturbance on the REMC distribution system.
10. The Consumer hereby expressly authorizes REMC, at any time and in its sole discretion, to install or modify any equipment that it deems necessary or prudent to protect the safety of REMC's employees or the integrity, security and safety of its electrical system, as a result of the operation of the Q.F. The Consumer shall reimburse REMC for the cost of such installation or modification immediately upon receipt of a settlement statement from the REMC.
11. Authorized REMC employees shall have the right to enter upon the Consumer's property at any time for the purpose of inspecting the Q.F. and making additional tests to insure the continued safe operation of the Q.F. and the accuracy of the metering. Such inspection shall not relieve the Consumer from his obligation to install, operate and maintain the Q. F. in a safe and satisfactory manner.
12. If, in the sole judgment of the REMC, the Consumer has failed to maintain, or has adversely altered, the Q. F. in a satisfactory operating condition, REMC may notify the Consumer to disconnect the Q. F. from the REMC's system. In the event the Consumer fails to immediately comply with the notice, REMC may discontinue service to the Consumer until the Q. F. is disconnected or restored to satisfactory operating condition. Furthermore, in the case of an emergency as determined in the sole judgment of the REMC, REMC shall have the right to require the Consumer to disconnect its Q.F. from the REMC system. REMC shall have no liability to the Consumer in such event.
13. After having given reasonable notice to Consumer, REMC need not purchase energy from the Consumer during any period in which, due to operational circumstances, purchases will result in costs greater than those which REMC would incur if it instead purchased an equivalent amount of energy from its traditional power supplier.
14. The Consumer shall indemnify, protect, defend, and save harmless the REMC from and against any and all claims and demands for damages, remote as well as proximate, to property and injury or death to persons including payments made under any workman's compensation law or under any plan for employee's disability and death benefits, which may arise out of or be caused by the installation, maintenance, presence, operation or removal of the Q. F., or by any related act or omission of the Consumer, its employees, agents, contractors or subcontractors.

At all times that the Q.F. is interconnected with REMC, the Consumer shall maintain liability insurance which insures against all claims for property damage and personal injury or death arising out of, resulting from, or in any manner connected with the installation, operation or maintenance of the Q.F. The consumer shall furnish to Heartland REMC, a certificate from the insurance carrier showing that the REMC and all

REMC personnel will be covered for property damage and personal injury or death arising out of, resulting from, or in any manner connected with the installation, operation or maintenance of the Q.F. The liability coverage of this policy must meet or exceed \$1,000,000. Consumer MUST provide this certificate each year when their policy renews.

15. Under no circumstances shall Consumer permit an on-site generator to operate in parallel with the REMC, without first gaining approval from the REMC to interconnect with its power lines. Failure to gain approval from the REMC or failure to comply with the requirements set forth in this document prior to operating the on-site generator will be grounds for disconnection of electric power without notice.
16. This agreement shall become effective immediately upon the execution hereof and shall continue in effect until terminated by either party with a written 90-day notice. Termination by either party shall require permanent disconnection of the Q. F. from the REMC system.

IN WITNESS WHEREFORE, the parties have caused this agreement to be fully executed as of the day and year above written.

Heartland REMC

Consumer

By _____
Robert M. Pearson
Chief Executive Officer

