

Interconnection Agreement for A Non-Customer-owned Solar Renewable Energy System
Between
Colorado Springs Utilities
And
a Third-Party Owner and a Colorado Springs Utilities Customer

This Interconnection Agreement (Agreement) for Non-Customer-Owned Renewable Energy System is entered on

_____, 20____ by and between _____ at
(Effective Date) (Customer)

_____, and _____ at
(Effective Date) (Third Party Owner)

_____, and Colorado Springs Utilities (Utilities), an enterprise of
(owner Address)
the City of Colorado Springs, a Colorado municipal corporation and home-rule city.

RECITALS

- A. Renewable Energy Net Metering Service is available to Utilities customers that are supplied electric service by Utilities under any rate schedule and that own and operate and maintain an eligible Renewable Energy System in parallel with the Utilities Electric system and in compliance with the City Code of the City of Colorado Springs and the Tariffs of Utilities as they currently read and may be changed in the future.
- B. The Customer proposes to have on its Premises an eligible Solar Renewable Energy System, and Customer will install and will maintain that system in compliance with all applicable National Electric Code requirements, building codes, and Utilities Tariff and Electric Line Extension & Service Standards.
- C. The Customer desires to connect the eligible Solar Renewable Energy System to the Utilities electric system.
- D. Utilities has mechanisms in place through its Electric Tariff to accommodate the Customer's request.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained within this Agreement, each of the parties agree as follows:

AGREEMENT

1. SYSTEM DEFINED

Owner's eligible Solar Renewable Energy System is an acceptable self-contained photovoltaic (solar) renewable energy electric generation system comprising: direct current disconnect apparatus, inverter for the conversion of direct current to alternating current, recording meter socket (the recording meter is supplied by Springs Utilities), alternating current disconnect/lockout, over-current protective device, and all other related electrical equipment upstream of the over-current protective device (all such equipment described as "the System" within this Agreement). The System begins and continues up-stream from the over-current protective device on the Customer's Premise. However, the recording meter, itself, does not form part of the System and always remains the property of Springs Utilities; the recording meter socket and related electrical connects are part of the System and are the responsibility of the Owner.

2. TERM AND TERMINATION

- 2.1 The term of this Agreement begins on the Effective Date (regardless of the date that the Owner is authorized to interconnect the System at the Customer's Premise pursuant to Section 5 below) and continues for five (5) consecutive twelve (12) month periods, and then will automatically renew, unless earlier terminated, for additional twelve (12) month periods.
- 2.2 The Owner may terminate this Agreement at any time by providing thirty (30) days written notice of termination to Springs Utilities.
- 2.3 Springs Utilities may terminate this Agreement at any time for any violation of this Agreement by providing written notice to each of the Customer and the Owner. As provided in Section 3 below, this Agreement is

always subject to the terms of, changes to, and revisions to Springs Utilities' Tariff and other related regulatory authorizations.

2.4 At the time of termination of this Agreement for any reason, Springs Utilities will perform lock-out of the System.

3. TARIFF AND REGULATORY AUTHORITIES

3.1 Springs Utilities' Renewable Energy Net Metering rate schedule is available to Springs Utilities Customers: a) that are supplied electric service by Springs Utilities under any rate schedule (other than Residential Service Time-of-Day Option), and b) that have on their Premise an eligible Renewable Energy System that complies with the City Code of the City of Colorado Springs and Springs Utilities' Tariff and that operates in parallel with the Springs Utilities electric system.

3.2 This Agreement is subject to: 1) all present and future applicable laws, rules, regulations, certificates, decisions, orders and directives of all federal, state and local authorities having jurisdiction over the subject matter of this Agreement; and 2) Springs Utilities' Tariff and Electric Line Extension & Service Standards, as such may be amended from time to time. Springs Utilities may file and may seek City Council approval from time to time to change the terms of its Tariff and to place such changes into effect. This Agreement will be deemed to include all such changes referred to in the initial sentence of this subsection, or any other changes that become effective by operation of law or City Council resolution, without prejudice to the Customer's or the Owner's right to protest those changes.

4. INSTALLATION AND PERMITTING

4.1 The Owner and the System must comply with: 1) all applicable National Electric Code (NEC) requirements, including, but not limited to NEC Articles 690 and 705; 2) all building codes; and 3) all applicable Underwriters Laboratories (UL) requirements and standards. At its sole expense, the Owner must: 1) obtain all necessary electrical permit(s) for the installation of the System, and 2) obtain and maintain any governmental authorizations or permits required for the operation of the System. The Owner must reimburse Springs Utilities for all losses, damages, claims, penalties, or liability that Springs Utilities incurs because of the Owner's failure to obtain or to maintain any governmental authorizations and permits required for construction and operation of the Owner's System.

4.2 The Owner or its contractor must construct the System as specified in the attached Exhibit A.

4.3 A manual, lockable, load-break disconnect switch that provides a clear indication of the switch position must be available with the System at or near the Owner's main point of interconnection with service from the Springs Utilities electric system to provide a point of electrical separation between the Owner's System and the Springs Utilities electric system. Springs Utilities will coordinate and approve the location of the disconnect switch. The disconnect switch must be easily visible, mounted separately from the metering equipment, readily accessible to Springs Utilities personnel always, and capable of being locked in the open position with a Springs Utilities lock. Springs Utilities may open the disconnect switch thereby isolating the Owner's System from the Springs Utilities electric system for any reason that Springs Utilities deems necessary, including, but not limited to, maintenance or emergency work, the System adversely affecting other customers of Springs Utilities, failure of the System to comply with codes/regulations, the System creating hazardous or unsafe conditions, the System's failure to comply with applicable UL requirements and standards, or the Owner's or the Customer's failure to pay utility billings when due.

4.4 The System must comply with all applicable Institute of Electrical and Electronics Engineers (IEEE) Standards, as of the Effective Date, for parallel operation with Springs Utilities' system. The purpose of these IEEE Standards is to minimize custom engineering of many aspects of the interconnection. These standards permit installations in a manner that will allow the System to perform as expected and to be installed at a reasonable cost while not compromising safety or operational issues. All power quality parameters (that is, voltage, flicker, frequency, distortion) are specified at the Point of Common Coupling (PCC) unless otherwise stated. The following requirements must be met:

- 4.4.1 **Voltage** – the System must be capable of operating within normal voltage operating limits between 88-110% nominal. Response to abnormal voltages should be as follows:

Voltage (at PCC) Maximum trip time

V < 50% 6-cycles

50% < V < 88% 120-cycles

88% < V < 110% normal operation

110% < V < 137% 120-cycles

137% < V 2-cycles

- 4.4.2 **Flicker** – Any voltage flicker resulting from the connection of the inverter to the Utilities electric system at the PCC cannot exceed the limits defined by the maximum borderline of irritation curve identified in IEEE Std. 519-1992, as amended.

- 4.4.3 **Frequency** – the System must have a fixed frequency range of 59.3-60.5 Hz.

- 4.4.4 **Waveform Distortion** – the System must have low current-distortion levels to ensure that no adverse effects are caused to other equipment connected to the Utilities electric system. The System electrical output at the PCC must comply with Clause 10 of IEEE Std. 519-1992, as amended. The key requirement is that total harmonic distortion must be less than five (5) percent of the fundamental frequency current at rated inverter output. Each individual harmonic is limited to the percentages listed in IEEE Std. 519-1992, as amended.

- 4.4.5 **Power Factor** – The System must operate at a power factor > 0.85 (leading or lagging) when output is greater than ten (10) percent.

- 4.4.6 **Islanding Protection** – The System must cease to energize the utility line when the inverter is subjected to islanding conditions. The Customer's System must immediately, completely and automatically disconnect from the Utilities electric system in the event of a fault on the Customer's System, a fault on Utilities' electric system, or loss of source on the Utilities electric system. Utilities, at its own discretion and expense, may conduct periodic testing of anti-islanding.

- 4.5 The Owner's over-current protective device (Breaker) at the service panel must be dedicated and must be capable of interrupting the maximum available fault current. The Breaker shall be clearly marked to indicate power source and connection to the CSU electric system. Springs Utilities will provide and will attach an additional label to the manual load-break disconnect switch, which is described in Subsection 4.3 above

- 4.6 After written authorization to connect the System to the Springs Utilities electric system has been given, the Owner shall make no changes or modifications in the System or of its mode of operation without the prior written approval of Springs Utilities.

5. WRITTEN AUTHORIZATION REQUIRED TO CONNECT SYSTEM

- 5.1 **The Owner may not connect the System to the CSU electric system until:** 1) this Agreement has been executed by the parties, 2) the System has been tested, and 3) written authorization to connect the System, in a form substantially like the attached Exhibit B, has been given to the Owner by Springs Utilities. Springs Utilities may have representatives present at the initial testing of the Owner's System and may perform (at its own expense) whatever testing of the Owner's System that Springs Utilities deems necessary.

- 5.2 After written authorization to connect the System to the Utilities electric system has been given, the Customer shall make no changes or modifications in the System or of its mode of operation without the prior written approval of Utilities.

6. LOCATION OF SYSTEM

The System will be installed at the Customer's Premise located at the physical location specified or depicted in the attached Exhibit A. The Owner cannot relocate the System to another Premise or physical location without the prior written approval of Springs Utilities. If such approval is given, any relocation and installation of the System will be at the Owner's sole expense.

7. NET METERING AND BILLING

The term "Net Metering" as used within this Agreement has the same definition as contained within the Springs Utilities Tariff, Electric Rate Schedules. At its request to Springs Utilities, the Customer will be billed in accordance with the provisions of the then-current Springs Utilities Renewable Energy Net Metering Rate Schedule (or successor rate schedule) for all energy delivered to and from the Springs Utilities electric system. The Owner will not be

entitled to the use of the Springs Utilities Renewable Energy Net Metering Rate Schedule (or successor rate schedule), the Customer will be entitled to the electric energy generated by the System and delivered to the Springs Utilities electric system, and Springs Utilities will not be obligated to pay the Owner for any electric energy that is delivered from the System to the Springs Utilities electric system. The sole obligation of Springs Utilities to take and to pay for electric energy generated by the System will be to the Customer under Springs Utilities' Renewable Energy Net Metering Rate Schedule (or successor rate schedule), as that rate schedule is amended or revised from time-to-time as provided in Subsection 3.2 above.

8. ACCESS TO PREMISE

The Customer will allow access to Customer's Premise by Springs Utilities personnel, and each of the Customer and the Owner will allow access to the System by Springs Utilities personnel, all such access in accordance with the City of Colorado Springs City Code and Springs Utilities' Tariffs. This access is for the purposes of (i) inspection of the Owner's System, (ii) reading, maintaining, and replacing meters; (iii) opening the load-break disconnect switch, and (iv) disconnection of the interconnection facilities at the Springs Utilities meter or transformer.

9. MAINTENANCE OF EQUIPMENT

At its sole expense, the Owner will maintain the System, including but not limited to, all over-current protective equipment, in a safe and prudent manner and in conformance with all applicable laws, codes, and regulations, including, but not limited to, the requirements of Section 4 above. The Owner must maintain all records for such maintenance. These records must be available to Springs Utilities for inspection at all reasonable times.

10. DISPUTE RESOLUTION

Should a dispute arise between any of the parties regarding this Agreement or with any tariff provisions or rate schedules applicable to the Customer or to the Owner, any such dispute may be reviewed and determined in accordance with the Dispute Resolution Procedure as provided in Springs Utilities' Tariff, Utilities Rules and Regulations, or successor tariff provision.

11. SAFETY

The Owner agrees to install, to operate, and to maintain the System in a safe and prudent manner and in conformance with all applicable laws, codes, and regulations including, but not limited to, those contained within Section 4 above.

12. ASSIGNMENT

This Agreement may not be assigned either by the Customer or by the Owner without the prior written consent of Springs Utilities, which may be withheld in its sole discretion; provided, however, that the Owner may assign this Agreement (without the consent of Springs Utilities) to a third-party investor for the purpose of financing the System in a tax equity financing structure, so long as the System operator remains SolarCity Corporation or another solar system operator of similar experience and financial standing.

13. INDEMNITY AND LIABILITY

13.1 Whenever any liabilities are incurred by either or both parties for damages caused by injuries to either party (or their employees or agents) or the property of either party, or caused by injuries to other persons on the two parties' property arising out of the subject matter of this Agreement, then the liabilities for such damages between the parties will be as follows:

13.1.1 Each party will be liable for all damages because of injuries to persons or property caused solely by its negligence or solely by its failure to comply with this Agreement.

13.1.2 To the extent provided by law, each party will be liable for all damages to its own property that are caused by the concurrent negligence of both parties, or that are due to causes that cannot be traced to the sole negligence of the other party, to the extent of its negligence therefore.

13.1.3 To the extent provided by law, each party will be liable for all damages because of injuries to its itself or its own employees or agents that are caused by the concurrent negligence of both parties, or that are due to causes that cannot be traced to the sole negligence of either party; provided that in no event will a party be liable for damages because of injuries to itself or its own employees and agents in any amount in excess of applicable Workmen's Compensation insurance; and provided further that

this Agreement will in no way impair the right of the injured party or its employee or agent to the extent that third party negligence proximately caused injuries or damages to party or its employee or agent.

13.1.4 To the extent provided by law, in the event of claims brought to recover damages because of injuries to persons not employees of either party and because of injuries to property not belonging to either party that are alleged to be caused by the concurrent negligence or both parties or are alleged to be due to causes that cannot be traced to the sole negligence of either party, the parties agree to apportion said liabilities according to the principles of the Colorado Uniform Contribution Among Joint Tortfeasors Act, C.R.S. § 13-50.5-101, et seq., and further agree that in the event of such concurrent or joint negligence that no right of indemnification will exist, so that in all such claims, the issues of liabilities will be determined as a matter of contribution and not as a matter of indemnity.

13.2 No provision of this Agreement shall be deemed or construed to be a relinquishment or waiver of any kind of the applicable limitations of liability provided CSU, the City of Colorado Springs, their officers, City Council, Utilities Board, directors, employees, agents and representatives by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et seq.

13.3 Neither party will have any liability whatsoever for any special, indirect, consequential or punitive damages.

14. FORCE MAJEURE

No party to this Agreement will be liable for delays in performing its obligations to the extent that the delay is caused by an unforeseeable condition beyond its reasonable control without fault or negligence, including but not limited to, strikes, riots, wars, floods, fires, explosions, acts of nature, acts of government, or labor disturbances.

15. APPROPRIATION OF FUNDS

In accord with the City of Colorado Springs' City Charter, performance of Springs Utilities' obligations under this Agreement is expressly subject to appropriation of funds by the City Council. In the event funds are not appropriated in whole or in part sufficient for performance of Springs Utilities' obligations under this Agreement, or appropriated funds may not be expended due to City Charter spending limitations, then this Agreement shall thereafter become null and void by operation of law, and Springs Utilities shall thereafter have no liability for compensation or damages to the Owner or to the Customer in excess of Springs Utilities' authorized appropriation for this Agreement or the applicable spending limit, whichever is less. Springs Utilities shall notify the Owner as soon as reasonably practicable in the event of non-appropriation or in the event a spending limitation becomes applicable.

16. SEVERABILITY

If any provision of this Agreement is found to be illegal or unenforceable, then the remaining provisions of this Agreement will remain in full force and effect, and such term or provision will be deemed stricken for if it remains illegal or unenforceable.

17. GOVERNING LAW

17.1 This Agreement will be construed in accordance with the laws of the State of Colorado, without reference to conflicts of laws; and the City of Colorado Springs City Charter, City Code, Ordinances, and Rules and Regulations.

17.2 In the event of any dispute over the Agreement's terms and conditions, the exclusive venue and jurisdiction for any litigation arising under this Agreement will be in the District Court of El Paso County, Colorado, and, if necessary for exclusive federal questions, the United States District Court for the District of Colorado. Each party to this Agreement waives any objection to jurisdiction and venue of any action instituted pursuant to 6 this Section 17 and may not assert any defense in any such action based on lack of jurisdiction or venue or based upon forum non conveniens. Each of the Customer and the Owner waives any bond or surety or security upon such bond or surety which, but for this waiver, might be required of Springs Utilities.

17.3 Each party to this Agreement waives personal service of all process upon it, and consents that all such service of process may be made by registered or certified mail or messenger directed to it as provided in Section 19 below. Nothing contained within this Section 17 affects the right of Springs Utilities to serve legal process in any other manner permitted by law.

21. ENTIRE AGREEMENT

This Agreement, together with its attachments, constitutes the entire agreement between the parties and supersedes all previous written or oral communications, understandings, and agreements between the parties unless specifically stated otherwise within this Agreement. This Agreement may only be amended by a written agreement signed by all the parties. Email and all other electronic (including voice) communications from Springs Utilities about this Agreement are for informational purposes only. No such communication is intended by Springs Utilities to constitute either an electronic record or an electronic signature or to constitute any agreement by Springs Utilities to conduct a transaction by electronic means. Any such intention or agreement is expressly disclaimed.

22. ACKNOWLEDGEMENTS REGARDING AGREEMENT

By signing below, each of the Customer and the Owner acknowledges that it understands the terms of this Agreement and that the Owner may not connect the System to the Springs Utilities electric system until the Owner has received written authorization to connect from Springs Utilities. Within sixty (60) days after notice from the Owner that the System is ready for interconnection to the Springs Utilities electric system; Springs Utilities will inspect the System and will provide a written authorization to connect the System or a statement that the System may not be interconnected because of non-compliance with this Agreement.

THE DULY AUTHORIZED REPRESENTATIVES of each of the parties have signed three (3) originals of this Agreement.

CUSTOMER

Signature: _____
Printed Name: _____
Address: _____
Utilities Acct. #: _____
Date: _____

OWNER

Signature: _____
Printed Name: _____
Address: _____
Date: _____

COLORADO SPRINGS UTILITIES

Signature: _____
Printed Name: _____
Address: 2855 Mesa Rd, Colorado Springs, CO 80904 _____
Date: _____

Exhibit A

to the Interconnection Agreement for a Non-Customer-Owned Solar Renewable Energy System between

Colorado Springs Utilities and

_____, and
(Customer)

_____,
(owner)

dated _____, 20__.

(Insert description of System and its location).

Exhibit B

to the Interconnection Agreement for a Non-Customer-Owned Solar Renewable Energy System between

Colorado Springs Utilities and

_____, and
(Customer)

(owner)

dated _____, 20____.

Section A: Authorization. The System may be connected to the Colorado Springs Utilities electric system.

The System has been inspected and tested and the Customer is authorized to connect the System to the Colorado Springs Utilities electric system.

Signed: _____

Printed Name: _____

Printed Title: _____

Date: _____

- OR -

Section B: Non-Authorization. The System cannot be connected to the Colorado Springs Utilities electric system.

The System does not comply with the Interconnection Agreement for Solar Renewable Energy System between

Colorado Springs Utilities and _____, and
(Customer)

_____, dated _____ 20____.
(Owner) (effective date)

Accordingly, the Customer **cannot connect** the System to the Colorado Springs Utilities electric system for the following reasons: _____

Signed: _____

Printed Name: _____

Printed Title: _____

Date: _____