

**NAVASOTA VALLEY ELECTRIC
COOPERATIVE, INC.**

**Distributed Generation
Procedures & Guidelines
Manual for Members**

November 2025

TABLE OF CONTENTS

GENERAL..... 3

I. DETERMINE THE CATEGORY OF DG FACILITY..... 4

1) Connection Level Category 4

2) Power Export Category 4

3) Qualifying or Non-Qualifying Category..... 4

4) Size Category..... 5

II. MEMBER’S INITIAL REQUIREMENTS..... 5

1) Notification 5

2) Service Request..... 5

3) Submit a DG Plan..... 5

III. COOPERATIVE AND POWER SUPPLIER REVIEW PROCESS 6

1) Plan Review Process..... 6

IV. SALES TO AND PURCHASES FROM A DG INSTALLATION 7

1) For all facilities where the Member desires to export power..... 7

2) For facilities ≤ 50 kW where the Member desires to export power..... 7

3) For facilities > 50 kW where the Member desires to export power..... 7

4) For facilities ≤ 3000 kW where the Member desires to export..... 8

V. MEMBER’S RESPONSIBILITY PRIOR TO OPERATION 9

1) Line Extension and Modifications to Cooperative Facilities 9

2) Applicable Regulations 10

3) Liability Insurance..... 10

4) Contracts..... 10

5) Initial Interconnection..... 11

VI. REFUSAL TO INTERCONNECT SERVICE OR DISCONNECTION OF INTERCONNECTION SERVICE 11

VII. OPERATION OF PARALLEL FACILITY 11

1) Purpose..... 11

2) Ownership of facilities..... 11

3) Self-Protection of DG Facilities..... 12

4) Quality of service..... 12

5) Safety disconnect..... 12

6) Access..... 13

7) Modification of the Cooperative System..... 13

8) Liability for Injury and Damages..... 14

9) Metering/Monitoring..... 15

10) Notice of Change in Installation 15

11) Testing and Record Keeping 16

12) Disconnection of Service 16

13) Compliance with Laws, Rules and Tariffs 16

GENERAL

In order to receive service from the Cooperative, a customer must join or become a “member” of the cooperative. Throughout this manual, customers will be referred to as members. For more information about the cooperative membership application process, including any applicable membership fees or deposits, see the Cooperative to request new member information.

It is the intent of the Cooperative to allow Members to install Distributed Generation (DG) if so desired, provided the Member’s DG facility does not adversely affect the Cooperative. The Member must conduct his/her own analysis to determine the economic benefit of DG operation.

DG operation that is not connected to the Cooperative distribution system in any way is known as “stand-alone” or “isolated” DG. The Member may operate a DG installation in stand-alone or isolated fashion as long as it does not adversely affect the Cooperative distribution system. A DG operation connected in any way to the Cooperative distribution system shall be considered as a “parallel” operation. For purposes of this manual, a DG operation is considered as “parallel” anytime it is connected to the Cooperative distribution system in any way, even if it is not the intention of the Member to export power to the Cooperative or its Power Supplier. All provisions of this manual shall apply to parallel operation of DG facilities as so defined.

This manual is not a complete description or listing of all the laws, ordinances, rules and regulations the Members must or should follow, nor is it an installation or safety manual. The Member requesting DG service must follow, in addition to all provisions of this Manual, the Cooperative’s *Rules and Regulations and Tariffs for Electric Service*, the Cooperative’s *Line Extension Policy*, the *Policies and Procedures* of the Cooperative’s power supplier where applicable, the current *IEEE 1547 Standard Guide for Distributed Generation Interconnection* (a copy is on file at the Cooperative for inspection along with information so the Member may obtain his/her own copy), and any other applicable governmental and regulatory laws, rules, ordinances and/or requirements. All legal, technical, financial, etc. requirements in the following sections of this manual must be met prior to interconnection.

A Member may serve all load behind the meter at the location serving the DG installation but will not be allowed to serve multiple meters, multiple consuming facilities or multiple Members with a single DG installation or under a single DG application.

DG facilities larger than 3 MW are not covered by this manual and will be considered by the Cooperative and its Power Supplier on a case-by-case basis.

An individual natural gas, propane, gasoline or diesel generator does not qualify for distributed generation.

I. DETERMINE THE CATEGORY OF DISTRIBUTED GENERATION FACILITY

1) Connection Level Category

- a) Connected to the Cooperative's system
The Member requests and/or the Member's DG facility requires connection to the Cooperative's system. All provisions of this manual cover this category.
- b) Connected to the Cooperative's Power Supplier's system
The Member requests and/or the Member's DG facility requires connection to the Cooperative's Power Supplier's system. This manual does NOT cover this category. The Member should contact the Cooperative's Power Supplier directly at: 254-750-6500 (Brazos Electric Power Cooperative, Inc.)

2) Power Export Category

- a) Parallel – no power export
The member operates a system connected in any way to the Cooperative distribution system but with no intention to export power to the Cooperative and/or its Power Supplier.
- b) Parallel – power generated to be both consumed and exported
The member operates a system connected in any way to the Cooperative distribution system designed primarily to serve the member's own load but with the intention to export excess power to the Cooperative and/or its Power Supplier.
- c) Parallel – power generated to be exported only
The member operates a system connected in any way to the Cooperative distribution system designed primarily with the intention to export power to the Cooperative, its Power Supplier or any third party.

3) Qualifying or Non-Qualifying Category

- a) Qualifying Facilities (QF) are defined by the Public Utility Regulatory Policies Act of 1978 (PURPA). Refer to CFR Title 26, Volume 4, Sec. 292.204. Qualifying Facilities will always be given consideration by the Cooperative for connection.
- b) The distinction between QF and Non-Qualifying Facilities (NQF) mainly deals with fuel use.
 - (1) In general, a QF must have as its primary energy source biomass, waste, renewable resources, geothermal resources or any combination.
 - (2) Other DG will be considered NQF by the Cooperative.
- c) The Cooperative and/or its Power Supplier will provide interconnection to DG members, subject to the provisions of this policy and other applicable rules and regulations.
- d) The Cooperative and/or its Power Supplier will negotiate a power purchase agreement with QF DG members, subject to the provisions of this policy and other applicable rules and regulations.
- e) The Cooperative and/or its Power Supplier may negotiate a power purchase agreement with Non-QF DG members.

2) Size Category

a) Facilities 50 kW and smaller

- (1) Facilities \leq 50 kW of connected generation will be placed in this size category unless the Member requests connection under the $>$ 50 kW and \leq 100 kW size category

b) Facilities above 50 kW and equal to or below 3000 kW

- (1) Facilities \leq 50 kW of connected generation may be placed in this size category if so requested by the Member

c) Facilities above 3 MW of connected generation (not considered under this manual)

II. MEMBER'S INITIAL REQUIREMENTS

1) Notification

- a) The Member must meet all the Cooperative's membership and service requirements in addition to the requirements in the manual.
- b) Anyone owning and/or operating a Parallel Distributed Generation (DG) facility or facilities served by the Cooperative must notify the cooperative of the existence, location and category of the facility.

1) Service Request

- a) In advance of requested interconnection, the Member must contact the Cooperative and complete the "Cooperative Application for DG Interconnection and Parallel Operation" (included).
- b) A separate form must be submitted for each facility and each location.

2) Submit a DG Plan

- a) Along with the application, the Member shall submit a plan detailing the electrical design, interconnection requirements, size, and operational plans. Either at the time of submission or at any time during the review process, the Cooperative and/or its Power Supplier may require additional information and/or may require the plans to be prepared by a registered Professional Engineer in the state.
- b) In the case of parallel facilities with no intention to export power to the Cooperative and/or its Power Supplier that are of standard design and intended entirely as emergency or back-up power supply for the facility, the Cooperative may, at its sole discretion, waive the application fee.

- c) Prior to review of the application and plan by the Cooperative and its Power Supplier, the Member shall pay an application fee as indicated below. A separate fee must be submitted for each facility and location.

DG Size (Connected Load)	Application Fee (Non-refundable)	Additional Engineering Fee	Interconnection Fee (Non-refundable)
≤ 50 kW	\$100	As Required	\$500
≥ 51 kW to ≤ 3000 kW	\$100	As Required	\$1000
> 3000 kW	Not covered by this manual		

III. COOPERATIVE AND POWER SUPPLIER REVIEW PROCESS

1) Plan Review Process

- a) The Cooperative and its Power Supplier will review the application and accompanying documents, plans, specifications, and other information provided and will return an interconnection analysis to the Member within 60 days of receipt of final plans and specifications.
- b) Technical review will be consistent with guidelines established by the most recent *IEEE Standard 1547 Guide for Distributed Generation Interconnection*.
- c) If corrections or changes to the plans, specifications and other information are to be made by the Member, the 60 day period may be reinitialized when such changes or corrections are provided to the Cooperative and its Power Supplier. In addition, any changes to the site or project requiring new analysis by the Cooperative may require additional cost and a new plan. The cost will be determined by the Cooperative.
- d) Any review or acceptance of such plans, specifications and other information by the Cooperative and/or its Power Supplier shall not impose any liability on the Cooperative and/or its Power Supplier and does not guarantee the adequacy of the Member's equipment to perform its intended function. The Cooperative and its Power Supplier disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost-effectiveness, safety, durability, or reliability of such DG installations.
- e) In the event it is necessary at the time of initial interconnection or at some future time for the Cooperative and/or its Power Supplier to modify electric delivery systems in order to serve the Member's DG facilities and/or purchase or continue to purchase the Member's output, or because the quality of the power provided by the Member's DG adversely affects the Cooperative and/or its Power Supplier's delivery system, the Member will reimburse the Cooperative and/or its Power Supplier for all costs of modifications required for the interconnection of the Member's DG facilities.

IV. SALES TO AND PURCHASES FROM A DG INSTALLATION

- 1) For all QF where the Member desires to export power
 - a) All facilities will be connected under one of the Cooperative's existing rate tariffs.
 - b) Sales to a Member shall be consistent with the applicable retail rate schedule established by the Cooperative and in use by the Member as if there were no DG installation with any additional charges added.
 - c) All applicable rates and charges included in the Cooperative rate tariffs shall apply to a DG facility in addition to any special charges listed in the tariff.
 - d) The Member shall pay all rates and charges so listed.
 - e) Neither the Cooperative nor its Power Supplier is under any obligation to purchase power from a NQF.
 - f) If the Member desires to sell power over the Cooperative's lines to a third party, the Member shall pay the Cooperative for wheeling service as outlined in the Cooperative's tariffs.
 - g) The Customer shall be subject to any market charges related to the Customer's DG facility, including but not limited to Scheduling, Dispatching and Energy imbalance.

- 2) For QF \leq 50 kW where the Member desires to export power – Agreement prior to November 1, 2025:
 - a) For power produced in excess of on-site requirements, the Member will be compensated by the retail purchase meter running in reverse (Net metering). The Cooperative shall bill the Member for the excess energy supplied by the Cooperative over and above the energy supplied by the Member during each billing period according to the Cooperative's applicable retail rate schedule.
 - b) When the energy supplied by the Member exceeds the energy supplied by the Cooperative during a billing period, the monthly charge and/or minimum bill of the retail rate schedule shall be billed by the Cooperative in addition to the monthly metering charge, and the excess energy shall be provided at no charge to the Cooperative.
 - c) The Member shall sign an approved contract for interconnection service with the Cooperative.
 - d) In addition to all other charges, the Cooperative may bill the member for any additional facilities charges as determined in the contract for service.
 - e) The Cooperative and/or its power supplier may, at its sole discretion, purchase power from an NQF under the terms of this section.

- 3) For QF $>$ 50 kW where the Member desires to export power – Agreement Prior to November 1, 2025:
 - a) No net metering shall be used. The type of metering to be used shall be specified at the sole discretion of the Cooperative. The metering shall provide data so the Cooperative can determine each billing period the energy supplied to the Member

- by the Cooperative and the energy supplied to the Cooperative's Power Supplier by the Member.
- b) An approved load profile meter shall be used which can be remotely read by the Cooperative and/or its Power Supplier through an approved communications link. If the site selected makes the installation of an approved communications link not feasible, the member shall be read monthly by Cooperative personnel and the Member shall be billed for the additional cost of reading the meter.
 - c) The Cooperative shall bill the Member for the full energy used by the Member during each billing period according to the Cooperative's applicable retail rate schedule.
 - d) In addition to all other charges, the Cooperative may add an additional monthly customer charge for DG Members to recover any additional billing, meter reading and/or customer service costs.
 - e) The Cooperative shall pay the Member on a monthly basis for the energy supplied by the Member to the Cooperative. The metered kWh output from the producer will be purchased at the Cooperative's total energy and fuel cost divided by the total kWh's purchased from the Cooperative's wholesale power provider as calculated from the most recent wholesale power bill.
 - f) The Member shall sign approved contracts for Interconnection and Power Purchase with the Cooperative and/or the Cooperative's Power Supplier as required.
 - g) In addition to all other charges, the Cooperative may bill the member for any additional facilities charges as determined in the contract for service.
 - h) The Cooperative and/or its Power Supplier may, at its sole discretion, purchase power from a NQF under the terms of this section.
- 4) For QF \leq 3000 kW where the Member desires to export power – Agreement on or after November 1, 2025:
- a) No net metering shall be used. The type of metering to be used shall be specified at the sole discretion of the Cooperative. The metering shall provide data so the Cooperative can determine each billing period the energy supplied to the Member by the Cooperative and the energy supplied to the Cooperative's Power Supplier by the Member.
 - b) An approved load profile meter shall be used which can be remotely read by the Cooperative and/or its Power Supplier through an approved communications link. If the site selected makes the installation of an approved communications link not feasible, the member shall be read monthly by Cooperative personnel and the Member shall be billed for the additional cost of reading the meter.
 - c) The Cooperative shall bill the Member for the full energy used by the Member during each billing period according to the Cooperative's applicable retail rate schedule.
 - d) In addition to all other charges, the Cooperative may add an additional monthly customer charge for DG Members to recover any additional billing, meter reading and/or customer service costs.
 - e) The Cooperative shall pay the Member on a monthly basis for the energy supplied by the Member to the Cooperative. The metered kWh output from the producer will be purchased at the Cooperative's total energy-related costs divided by the total

- kWh's purchased from the Cooperative's wholesale power provider as calculated from the most recent wholesale power bill.
- f) The Member shall sign approved contracts for Interconnection and Power Purchase with the Cooperative and/or the Cooperative's Power Supplier as required.
 - g) In addition to all other charges, the Cooperative may bill the member for any additional facilities charges as determined in the contract for service.
 - h) The Cooperative and/or its Power Supplier may, at its sole discretion, purchase power from a NQF under the terms of this section.
- 5) The Cooperative shall not be required to make any purchases that will cause the Cooperative to no longer be in compliance with any applicable contracts or all-power contract requirements with its power supplier(s).

V. MEMBER'S RESPONSIBILITY PRIOR TO OPERATION

- 1) Line Extension and Modifications to Cooperative Facilities
- a) As a part of the interconnection analysis performed by the Cooperative and its Power Supplier, the Member will be provided with an estimate of any line extension or other cost to be incurred in providing electric delivery service to the Member's DG facility.
 - b) Without regard to the Cooperative's line extension policy, the Member shall pay in advance the full cost of the construction of any transmission, substation, distribution, transformation, metering, protective, or other facilities or equipment which, at the sole discretion of the Cooperative and/or its Power supplier, is required to serve the Member's DG facility.
 - c) In the event it is necessary at the time of initial interconnection or at some future time for the Cooperative and/or its Power Supplier to modify electric delivery systems in order to serve the Member's DG facilities and/or purchase or continue to purchase the Member's output, or because the quality of the power provided by the Member's DG adversely affects the Cooperative and/or its Power Supplier's delivery system, the Member will reimburse the Cooperative and/or its Power Supplier for all costs of modifications required for the interconnection of the Member's DG facilities.
 - d) In the event the Cooperative at any time in the future changes primary voltage of distribution facilities serving the DG installation such that metering equipment, transformers and/or any other Member-owned equipment must be changed, the full cost of the change will be borne by the Member.
 - e) In all cases, the Member shall pay the full cost of the installation of a visible load break disconnect switch by and to the sole specification of the Cooperative. The switch will be readily accessible to Cooperative personnel and of a type that can be secured in an open position by a Cooperative padlock.
 - f) The Operational Section of this Manual includes additional detail and operational and safety requirements. The Member will follow all requirements of the *Operation Section* of these Guidelines prior to and during operation of his/her DG Facility.

2) Applicable Regulations

- a) The Member shall comply with all applicable tariffs, policies and procedures of the Cooperative and its Power Supplier. (DG tariffs, policies and procedures included.)
- b) The Member shall comply with all applicable laws, ordinances rules and regulations of any federal, county, state, and/or local authority, including, but not limited to: the most recent *IEEE Standard 1547 Guide for Distributed Generation Interconnection*, applicable ANSI standards, including ANSI C84.1 Range A relating to installation, safety, easements, code restrictions, operation and other matters.
- c) The Member shall be solely responsible for compliance with all applicable environmental laws, requirements and regulations, including but not limited to reporting and permits.

3) Liability Insurance

- a) Prior to interconnection, the Member must provide a certificate of insurance showing satisfactory liability insurance including contractual liability insurance covering indemnity agreements which insures the Member against all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with the installation, operation and maintenance of the Member's generating equipment.
- b) The amount of such insurance coverage shall be not less than \$1,000,000.00 per occurrence. This amount may be increased at the sole discretion of the Cooperative if the nature of the project so requires.
- c) The certificate shall provide that the insurance policy will not be changed or canceled during its term without thirty days written notice to the Cooperative. The term of the insurance shall be coincident with the term of the interconnection contract or shall be specified to renew throughout the length of the interconnection contract.
- d) The Member shall provide proof of such insurance to the Cooperative at least annually.

4) Contracts

a) Interconnection Contract

- (1) The Member will sign and deliver an interconnection contract to the Cooperative.
- (2) The Cooperative will provide the required contract form with these guidelines.

b) Purchase Power Contract (where the QF Member desires to deliver power or, in the case of a NQF Member, the Cooperative and/or its Power Supplier agrees to purchase power)

- (1) < 3000 kW: Energy Purchase Agreement between Member and Cooperative is required.
- (2) > 3000 kW: The Member will sign and deliver a power purchase contract with the Cooperative's Power Supplier.
- (3) The Cooperative will provide the required contract forms with the manual.

5) Initial Interconnection

- a) Upon satisfactory completion of the review process and execution of required agreements as outlined in this manual, the cooperative will begin interconnection of DG facilities. Interconnection will be completed as soon as practical after completion of the review process and execution of the necessary contracts. After completion of interconnection requirements and prior to initiation of service, the Cooperative will conduct a final inspection of the facilities and interconnection to the Cooperative's system. Upon satisfactory final inspection, the Cooperative will initiate service to the DG member.
- b) The Cooperative's review process and final inspection is intended as a means to safeguard the Cooperative's facilities and personnel. Any review by the Cooperative and/or its Power Supplier shall not impose any liability on the Cooperative and/or its Power Supplier and does not guarantee the adequacy of the Member's equipment to perform its intended function. The Cooperative and its Power Supplier disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost-effectiveness, safety, durability, or reliability of such DG installations.

VI. REFUSAL TO INTERCONNECT SERVICE OR DISCONNECTION OF INTERCONNECTION SERVICE

The Cooperative may, at its sole discretion, prevent the interconnection or disconnect the interconnection of DG installations due to reasons such as safety concerns, reliability issues, power quality issues, breach of interconnection contract or any other reasonable issue. This disconnection may be without prior notice.

VII. OPERATION OF PARALLEL FACILITY

1) Purpose

The purpose of this section is to outline the Cooperative's DG Operational requirements and is not intended to be a complete listing of all operational, regulatory, safety and other requirements.

2) Ownership of facilities

- a) The Member shall own and be solely responsible for all expense, installation, maintenance and operation of all facilities, including all power generating facilities, at and beyond the point of common coupling as defined by the IEEE.
- b) Exceptions include Cooperative owned metering equipment and transformers.

3) Self-Protection of DG Facilities

- a) The Member will furnish, install, operate and maintain in good order and repair all equipment necessary for the safe operation of the power generating installation in parallel with the Cooperative electric distribution system.
- b) Equipment will have capability to both establish and maintain synchronism with the Cooperative system and to automatically disconnect and isolate the DG installation from the Cooperative system.
- c) The Member's DG installation will be designed, installed and maintained to be self-protected from normal and abnormal conditions on the Cooperative system including, but not limited to, overvoltage, undervoltage, overcurrent, frequency deviation, and faults. Self protection will be compatible with all applicable Cooperative protection arrangements and operating policies.
- d) Additional protective devices and/or functions may be required by the Cooperative when, in the sole judgment of the Cooperative, the particular DG installation and/or the Cooperative system characteristics so warrant.

4) Quality of Service

- a) Member's DG installation will generate power at the nominal voltage of the Cooperative electrical distribution system at the Member's delivery point as defined by ANSI C84.1 Range A.
- b) Member's DG installation will generate power at a frequency within the tolerances as defined by IEEE 1547.
- c) Member's DG installation shall produce power at a minimum power factor of at least 95% or shall use power factor correction capacitors to ensure at least a 95% power factor.
- d) Member's DG facility shall be in accordance with the power quality limits specified in IEEE 519.
- e) The overall quality of the power provided by the Member's DG installation including, but not limited to, the effects of harmonic distortion, voltage regulation, voltage flicker, switching surges and power factor, will be such that the Cooperative system is not adversely affected in any manner.
- f) In the event that the adverse effects are caused in whole or in part by the Member's DG installation, the Member will correct the cause of such effects, reimburse the Cooperative for required correction, or be disconnected from the Cooperative system.

5) Safety Disconnect

- a) The Member shall install a visible load break disconnect switch at the Member's expense and to the Cooperative's specifications.
- b) The switch will be located so as to be readily accessible to Cooperative personnel in a location acceptable to both the Member and Cooperative.
- c) The switch shall be a type that can be secured in an open position by a Cooperative padlock. If the Cooperative has locked the disconnect switch open, the Member shall not operate or close the disconnect switch.
- d) The Cooperative shall have the right to lock the switch open when, in the judgment of the Cooperative:

- (1) It is necessary to maintain safe electrical operating and/or maintenance conditions,
 - (2) The Member's DG adversely affects the Cooperative system, or
 - (3) There is a system emergency or other abnormal operating condition warranting disconnection.
 - e) The Cooperative reserves the right to operate the disconnect switch for the protection of the Cooperative system even if it affects the Member's DG installation. In the event the Cooperative opens and/or closes the disconnect switch:
 - (1) The Cooperative shall not be responsible for energization or restoration of parallel operation of the DG installation.
 - (2) The Cooperative will make reasonable efforts to notify the Member.
 - f) The Member will not bypass the disconnect switch at any time for any reason.
 - g) Signage shall be placed by the Cooperative at the location of the disconnect indicating the purpose of the switch along with contact names and numbers of both the Member and the Cooperative.
 - h) Members with DG facilities as defined in this manual which are solely for the purpose of emergency backup or peak shaving without intent to export power shall not operate their DG facilities unless visibly disconnected from the Cooperative system. At its sole discretion, the Cooperative may require Member to install at his/her own expense an interlocking switch for the purpose of insuring the Member's facilities do not operate in parallel with the Cooperative's facilities
 - i) Should the Cooperative lose power from its system serving the Member's DG facilities for any reason, Members with DG facilities which are intended to export power shall not operate their DG facilities unless disconnected from the Cooperative system.
- 6) Access
- a) Persons authorized by the Cooperative will have the right to enter the Member's property for purposes of testing, operating the disconnect switch, reading or testing the metering equipment or other DG and/or service requirement. Such entry onto the Member's property may be without notice.
 - b) If the Member erects or maintains locked gates or other barriers, the Member will furnish the Cooperative with convenient means to circumvent the barrier for full access for the above-mentioned reasons.
- 7) Modification of the Cooperative System
- a) In the event it is necessary at the time of initial interconnection or at some future time for the Cooperative and/or its Power Supplier to modify electric delivery systems in order to serve the Member's DG facilities and/or purchase or continue to purchase the Member's output, or because the quality of the power provided by the Member's DG adversely affects the Cooperative and/or its Power Supplier's delivery system, the Member will reimburse the Cooperative and/or its Power

Supplier for all costs of modifications required for the interconnection of the Member's DG facilities.

- b) In the event it is necessary at the time of initial interconnection or at some future time for the Cooperative and/or its Power Supplier to modify electric delivery systems in order to purchase or continue to purchase the Member's output, or because the quality of the power provided by the Member's DG adversely affects the Cooperative and/or its Power Supplier's delivery system, the Member will reimburse the Cooperative and/or its Power Supplier for all costs of modifications required for the interconnection of the Member's DG installation.

8) Liability for Injury and Damages

- a) The Member assumes full responsibility for electric energy furnished at and past the point of interconnection and shall indemnify the Cooperative against and hold the Cooperative harmless from all claims for both injuries to persons, including death resulting therefrom, and damages to property occurring upon the premises owned or operated by Member arising from electric power and energy delivered by the Cooperative or in any way arising directly or indirectly from the Member's DG installation except:

- (1) When the negligence of the Cooperative or its agent or agents was the sole proximate cause of injuries, including death therefrom, to Member or to employees of Member or in the case of a residential Member, to all people of the household, and
- (2) As to all other injuries and damages, to the extent that injuries or damages are proximately caused by or result in whole or in part from:

- (a) Any negligence of the Cooperative or its agent or agents independent of and unrelated to the maintenance of Cooperative facilities or any condition on Member's premises, or
- (b) The breach by the Cooperative of any provision of any contract regarding purchase and/or sale of electrical energy or service between the Member and the Cooperative.

- b) The Cooperative shall not be liable for either direct or consequential damages resulting from failures, interruptions, or voltage and waveform fluctuations occasioned by causes reasonably beyond the control of the Cooperative including, but not limited to, acts of God or public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court or judge granted in any bona fide adverse legal proceeding or action, or any order of any commission, tribunal or governmental authority having jurisdiction. For claims resulting from failures, interruptions, or voltage and waveform fluctuations occasioned in whole or in part by the negligence of the Cooperative or its agent or agents, the Cooperative shall be liable only for that portion of the damages arising from personal injury, death of persons, or costs of necessary repairs to or reasonable replacement of electrical equipment proximately caused by the negligent acts of the Cooperative or its agent or agents. ALL PROVISIONS NOTWITHSTANDING, IN NO EVENT SHALL THE COOPERATIVE BE LIABLE

TO THE MEMBER FOR ANY INTEREST, LOSS OF ANTICIPATED REVENUE, EARNINGS, PROFITS, OR INCREASED EXPENSE OF OPERATIONS, LOSS BY REASON OF SHUTDOWN OR NON-OPERATION OF MEMBER'S PREMISES OR FACILITIES FOR ANY INDIRECT, INCIDENTAL, OR CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES ARISING OUT OF OR RELATED, IN WHOLE OR PART, TO THIS AGREEMENT. The Cooperative shall not be liable in any event for consequential damages.

- c) The Member is solely responsible for insuring his/her facility complies with all applicable regulations including, but not limited to, laws, regulations, ordinances, Cooperative and Cooperative Power Supplier tariffs, policies and directives, and ERCOT rules, policies and directives.

9) Metering/Monitoring

- a) The Cooperative shall specify, install and own all metering equipment.
- b) Facilities \leq 50 kW with agreements prior to November 1, 2025

The facility will be net metered by installing a meter which measures the flow of energy in each direction.

- c) All facilities with agreements on or after November 1, 2025
 - (1) Power transfer at the point of interconnection will be measured by metering equipment as installed and specified at the sole discretion of the Cooperative and/or its Power Supplier.
 - (2) There shall be no net metering.
 - (3) The meter shall be read at a time or times of month determined at the Cooperative's sole discretion for remotely acquiring metering data. The Member shall provide the Cooperative an approved communications link at the Member's cost for this purpose if so requested by the Cooperative. The type of communications link and metering equipment measuring purchase of power by the Cooperative shall be installed and specified at the sole discretion of the Cooperative.
- d) The Cooperative may, at its sole discretion, require the Member to reimburse the Cooperative for metering and monitoring equipment and installation expense.
- e) Meter testing shall follow the Cooperative's standard policy on metering testing and accuracy.
- f) At its sole discretion, the Cooperative may meter the facility at primary or secondary level.

10) Notice of Change in Installation

- a) The Member will notify the Cooperative in writing thirty (30) days in advance of making any change affecting the characteristics, performance, or protection of the DG installation.

- b) If any modification undertaken by the Member will create or has created conditions which may be unsafe or adversely affect the Cooperative system, the Member shall immediately correct such conditions or be subject to immediate disconnection from the Cooperative system.
- c) Any change in the operating characteristics of the DG installation including, but not limited to, size of generator, total facility capacity, nature of facility, fuel source, site change, hours of operation, or type of generator used, will required a new application process, including, but not limited to, application form, application fee, DG plan and DG plan review by the Cooperative and/or its Power Supplier.

11) Testing and Record Keeping

- d) The Member will test all aspects of the protection systems up to and including tripping of the generator and interconnection point at start-up and thereafter as required. Testing will verify all protective set points and relay/breaker trip timing and shall include procedures to functionally test all protective elements of the system. The Cooperative may witness the testing.
- e) The Member will maintain records of all maintenance activities, which the Cooperative may review at reasonable times.
- f) For systems greater than 500 kW, a log of generator operations shall be kept. At a minimum, the log shall include the date, generator time on, generator time off, and megawatt and megavar output. The Cooperative may review such logs at reasonable times.

12) Disconnection of Service

The Cooperative may, at its sole discretion, discontinue the interconnection of DG installations due to reasons such as safety concerns, reliability issues, power quality issues, breach of interconnection contract or any other reasonable issue.

13) Compliance With Laws, Rules and Tariffs

The DG installation owned and installed by the Member shall be installed and operated subject to and in accordance with the terms and conditions set forth in the Cooperative's rules, regulations, bylaws, rates and tariffs, as amended from time to time, and, if applicable, approved by the Cooperative's board of directors, which are incorporated herein by reference, and in compliance with all applicable federal, state and local laws, regulations, zoning codes, building codes, safety rules, environmental restrictions, ordinances and regulations, including without limitation, Electric Reliability Council of Texas (ERCOT) Independent System Operator (ISO) directives and ERCOT guidelines, and in accordance with industry standard prudent engineering practices.