



*Minnesota Municipal Power Agency's 7 MW Buffalo Solar
Buffalo, MN*

INTERCONNECTION PROCESS

Facility Study Agreement

ABSTRACT

Agreement outlining the scope, timeline and responsibility of cost for a proposed DER system's facility changes to the distribution system

SAMPLE

Facilities Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____ 20__ by and between _____, (“Interconnection Customer”), and _____, a municipal utility existing under the laws of the State of Minnesota, (“Area EPS Operator”). Interconnection Customer and Area EPS Operator each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Distributed Energy Resource (DER) or generating capacity addition to an existing DER consistent with the Interconnection Application completed by the Interconnection Customer on _____ (date); and

WHEREAS, the Interconnection Customer desires to interconnect the DER with the Area EPS Operator’s Electric System;

WHEREAS, the Area EPS Operator has completed Initial Review, Supplemental Review, and/or a System Impact Study, and provided the results of said review to the Interconnection Customer, or determined none was required; and

WHEREAS, the Interconnection Customer has requested the Area EPS Operator to perform a Facilities Study(s) to specify, and estimate the cost of, the equipment, engineering, procurement and construction work, needed to implement the conclusions of the above noted review in accordance with Good Utility Practice, to physically and electrically connect the DER with the Area EPS Operator’s distribution system.

NOW, THEREFORE, in consideration of, and subject to, the mutual covenants contained herein the Parties agreed as follows:

1. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated, or the meanings specified, in the Municipal Minnesota Distributed Energy Resources Interconnection Process (M-MIP).
2. The Interconnection Customer elects and the Area EPS Operator shall cause a Facilities Study consistent with the standard M-MIP to be performed. The scope of the Facilities Study shall be subject to data provided in Section 17 to this Agreement.
3. The Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads), needed to implement the conclusions of the System Impact Study(s). The Facilities Study shall also identify: 1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, 2) the nature and estimated cost of the Area EPS Operator's Interconnection Facilities and Upgrades, necessary to accomplish the interconnection, and 3) an estimate of the time required to complete the construction and installation of such facilities.
4. The Area EPS Operator may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale. Any Interconnection Customer may require the installation of facilities required for its own Distributed Energy Resource, if they are willing to pay the costs of those facilities.
5. A deposit of the equivalent of the good faith estimated cost of a distribution Facility Study shall be required from the Interconnection Customer when the signed Agreement is provided to the Area EPS Operator.
6. Any study fees shall be based on the Area EPS Operator's actual costs and include a summary of professional time. An invoice shall be sent to the Interconnection Customer within twenty (20) Business Days after the study is completed and delivered.

7. The Interconnection Customer must pay any study costs that exceed the deposit without interest, within twenty (20) Business Days, on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Area EPS Operator shall refund such excess within twenty (20) Business Days of the invoice without interest.

8. Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions, shall be governed by the laws of the State of Minnesota. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

9. Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

10. No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

11. Waiver

11.1. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement, will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

11.2. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure

to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by the Interconnection Customer, shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Area EPS Operator. Any waiver of this Agreement shall, if requested, be provided in writing.

12. Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

13. No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties, or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

14. Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore, insofar as practicable, the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

15. Subcontractors

15.1. Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to

comply with all applicable terms and conditions of this Agreement, in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

15.2. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires, as if no subcontract had been made; provided, however, that in no event shall the Area EPS Operator be liable for the actions or inactions of the Interconnection Customer or their subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement, upon the hiring Party, shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

15.3. The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

16. Inclusion of Area EPS Operator Tariffs and Rules

The interconnection services provided under this Agreement, shall at all times, be subject to the terms and conditions set forth in the tariff schedules and rules applicable to the electric service provided by the Area EPS Operator, which tariff schedules and rules are hereby incorporated into this Agreement by this reference. Notwithstanding any other provisions of this Agreement, the Area EPS Operator shall have the right to unilaterally change rates, charges, classification, service, tariff, or rule or any agreement relating thereto. The Interconnection Customer shall have the right to protest any such change through the Area EPS Operator's dispute resolution process, pursuant to the Area EPS Operator's rules and regulations.

17. Data to be Provide by Interconnection Customer with Facilities Agreement

- 17.1. The Interconnection Customer shall be available to meet on site with the Area EPS Operator within five (5) Business Days of signing the Facilities Study Agreement. The personnel furnished by the Interconnection Customer for this site visit shall bring detailed information on the site layout. The Area EPS Operator may request the Interconnection Customer physically places stakes at the locations of major components.
- 17.2. The Interconnection Customer shall furnish a final site plan detailing the location of major equipment at the time this agreement is returned. The Point of Common Coupling (PCC) and Point of Distributed Resource Connection (PoC) shall be clearly marked. The site plan shall depict any nearby roads and be labeled with the road name. Accurate dimensions shall be included on the site plan. The proper emergency (911) address, corresponding to the site, shall be labeled on the site plan.
- 17.3. The Interconnection Customer shall furnish a final one-line diagram detailing the electrical connections between major components. The one-line shall be returned with the signed Facilities Study Agreement.
- 17.4. Technical cut sheets on all equipment related to metering shall be provided by the Interconnection Customer along with the signed Facilities Study Agreement.
- 17.5. If available, copies of the Conditional Use Permits(s) from all necessary authorities shall be returned by the Interconnection Customer with the signed Facilities Study Agreement.
- 17.6. The Interconnection Customer shall secure any necessary easements from private land owners prior to signing the Facilities Study Agreement. Documentation of any such agreements shall be provided to the Area EPS Operator.

- 17.7. In the event that the Area EPS Operator determines a site survey is necessary in order to complete a Facilities Study, the Interconnection Customer shall make good faith efforts to complete the survey in a timely manner.
- 17.8. The Facilities Study assumes all land use permits required for the interconnection will be approved by the proper authorities. Permits are submitted after Interconnection Agreement is signed and may impact project costs (i.e. overhead to underground requirements.)
- 17.9. The Interconnection Customer and Area EPS Operator shall provide a single point of contact for design and construction related matters. The Interconnection Customer single point of contact shall respond in a timely manner to the Area EPS Operator's questions during the Facilities Study.
- 17.10. In the event that an Interconnection Customer does not provide the necessary information described in this Agreement, or if the Interconnection Customer takes more than five (5) Business Days to respond to a question during the Facilities Study, the Facilities Study timeframe shall pause until the question is resolved.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert Name of Area EPS Operator]

[Insert Name of Interconnection Customer]

(Signature)

(Signature)

(Title)

(Title)

SAMPLE

Data to Be Provided by the Area EPS Operator with the Facilities Study Agreement

Estimate Cost of Facility Study	\$
Time duration to complete Facility Study	Business Days