

COMMERCIAL GENERATION AGREEMENT



This Commercial Generation Agreement (“Agreement”) is made and entered into as of this _____ day of _____, 20 _____, by the City of Kaysville, a municipal corporation and political subdivision of the State of Utah (the “City”) and _____ (“Customer”) located at _____ Kaysville, Utah 84037.

RECITALS

WHEREAS, the City adopted the Commercial Generation Policy to encourage and regulate the orderly establishment and maintenance of parallel renewable energy systems interconnected with the City’s existing electric distribution system; and

WHEREAS, pursuant to the City’s Commercial Generation Policy, Customer wishes to establish, operate, and maintain a renewable energy facility interconnected with the City’s existing electric distribution system; and

NOW, THEREFORE, the parties mutually agree and covenant as follows:

1. **Renewable energy Commercial Generation Facility:** Customer’s renewable energy Commercial Generation facility (the “facility”) shall mean the generating facility described in Exhibit A attached hereto. The facility shall consist of a solar photovoltaic, wind generating, or other qualified energy generating facility that is located on the Customer’s premises that is interconnected with and operates in parallel with the City’s electric transmission and distribution facilities and is intended to offset part or all of the Customer’s own electrical requirements. The design, installation and operation of the Facility shall comply in all aspects with the City’s Commercial Generation and Interconnection Policy. Customer shall be responsible for the design, installation and operation of the Facility and for obtaining and maintaining all required permits and approvals related thereto. This Agreement is applicable only to the renewable energy Commercial Generation facility described in Exhibit A and Customer shall not make any modification to the Facility without prior written consent of the City.
2. **Term and Termination:** This agreement shall commence on the date established above and shall remain in effect until terminated by either party upon thirty days prior written notice, provided, however that this Agreement will terminate automatically upon:
 - a. Any change of ownership of Customer;
 - b. Any change in ownership of the facility or the premises upon which the facility is located; or
 - c. Any change in the location of the facility.

3. **Measurement of Energy:** A Customer's generating facility used for Commercial Generation metering shall be equipped with two meters. One meter will measure all of the kWh's and demand used by the Customer and the other meter will be connected to the line side of the City's power system and show all kWh's produced by the Customer's (GF). The City will install both meters at the Customer's expense. The metering equipment shall be used to provide information necessary to accurately bill or credit Customer and to collect electrical generating system performance information for research purposes.
4. **Purchase of Energy and Payment:**
 - a. The City shall measure the energy delivered or consumed by the Customer during each billing period, in accordance with normal metering practices.
 - b. Meter number 1 (Commercial meter) shall measure all kWh's consumed by the Customer and the highest demand each month. Customer will pay the Customer charge according to their appropriate rate class and be charged at the current Commercial rate for the kWh's and demand. Meter number 2 (Production meter) will be connected to the line side of the City's power system and record all kWh's produced by the Generating Facility, Customer will be credited at the Commercial Solar rates for all kWh's produced.
 - c. Customer shall be billed for the energy supplied to Customer by the City's electric distribution system together with the appropriate Customer charge paid by other Customers of the City in the same rate class.
 - d. The City will only compensate a "GF" (Generating Facility) Customer up to but not to exceed the amount that it consumes in kWh's during the calendar year. If the customer generates more kWh's than they consume through the calendar year, that excess will be forfeited. At the end of the year, the City will review the Customer's account and a billing adjustment will be made for any over payment the Customer received during the previous year. The adjustment will be pro-rated over the next 6 months.
 - e. Customer shall pay any amount owing for electric service provided by the City in accordance with applicable rates and policies. Nothing in this Section shall limit the City's rights under applicable Rate Schedules, City Ordinances, Customer Service Policies, and General Provisions.
 - f. The Customer will release to City all renewable energy credits "REC", solar renewable-energy credits "S-REC", or other renewable attributes as appropriate based on actual on-site electric generation from the renewable resource.

5. **Interconnection:** Customer shall provide the electrical interconnection on its side for both meters. Metering equipment will be connected in accordance with the City's Interconnection Standards, at the Customer's expense. The City may make such modifications to the City's system as are reasonably necessary to accommodate the Facility in accordance with the City's Commercial Generation agreement and Interconnection Standards (at the Customer's Expense). An engineering review may be required (at the Customer's Expense). The cost for such modifications shall be paid prior to construction. Customer shall ensure, at its own expense, that the facility includes all equipment necessary to meet applicable safety, power quality, and interconnection requirements established by the City's Commercial Generation Agreement and Interconnection Standards, as may be amended from time to time by other applicable City policies and ordinances, by applicable state law, and by the National Electric Code, National Electric Safety Code, and the Institute of Electrical and Electrical Engineers and Underwriters Laboratories. Customer shall not commence parallel operation until the City has inspected the Facility, including all interconnection equipment, and issued a written approval in accordance with the City's Commercial Generation Agreement and Interconnection Standards.
6. **Disconnect Device:**
An interconnection Customer of the City must install and maintain a manual disconnect switch which will disconnect the generating facility from the utility's distribution system. The disconnect switch must be a lockable, load-break switch that plainly indicates whether it is in the open or closed position. The disconnect switch must be readily accessible to the City at all times and located within 10 feet of the utility's meter. Must have a red 5x7 permanent plaque to indicate alternate power source.
- i. Exemption:
- The disconnect switch and batteries may be located more than 10 feet from the utility meter if permanent instructions are posted on a 5" x 7" plaque, that is red in color at the utility meter indicating the precise location of the disconnect switch and battery location. In this case, Kaysville City must approve the location of the disconnect switch prior to the installation of the generating facility.
- a. The Commercial Generation agreement is between Kaysville City and the Kaysville City business owner. No third parties.
- b. All generating facilities, batteries and all types of storage devices must immediately disconnect from Kaysville City's distribution system upon any and all power outages on Kaysville City's distribution system (line side).
7. **Operational Standards:** The Facility must be designed to operate within allowable operating standards for the City's electric distribution system. The facility must not adversely affect the quality or reliability of service provided to the City's other Customers. The City shall have the right to periodically inspect the Facility.

Customer shall furnish, operate, and maintain in good order and repair, at Customer's cost, all equipment required for the safe operation of the facility in parallel with the City's electric distribution system. This includes, but is not limited to equipment necessary to:

- a. Establish and maintain automatic synchronism with the City's electric distribution system;
- b. Automatically disconnect the facility from the City's electrical distribution system in the event of overload or outage of the City's electrical distribution system; and
- c. Customer must pay for and have a production meter installed to capture all the kWh's produced by the Customer's GF.

8. **Installation and Maintenance:** Except for the Commercial meter owned by the City, all equipment on Customer's side of the delivery point, including the disconnect device, shall be provided and maintained in satisfactory operating condition by Customer and shall remain the property and responsibility of the Customer. The City will bear no responsibility for the installation or maintenance of Customer's equipment or for any damage to property because of any failure or malfunction thereof. The City shall not be liable, directly or indirectly for permitting or continuing to allow the interconnection of the facility or for the acts or omissions of Customer or the failure or malfunction of any equipment of Customer that caused loss or injury, including death, to any party.

9. **Indemnity and Liability:** Customer shall defend, hold harmless, and indemnify the City its directors, officers, employees, and agents against any and all loss, liability, damage, claim, cost, charge, demand or expense including any direct, indirect or consequential loss, liability, damage, claim, cost, charge, demand, or expense including attorney's fees for injury or death to persons, including employees of the City, and Customer and damage to property, including property of the City, Customer, or any other person, arising out of or in connection with:

(a) the engineering, design, construction, maintenance, repair, operation, supervision, inspection, testing, protection, or ownership of the facility; or,

(b) The making of placements, additions, betterment to, or reconstruction of the facility.

Customer's obligation to indemnify the City hereunder shall apply regardless of whether the City is alleged or determined to have contributed to or been concurrently, jointly, or independently negligent.

10. **Pre-Operation Inspection:** Prior to interconnection, the facility and associated interconnection equipment must be inspected and approved by the City and by any other governmental authority having jurisdiction.

11. **Access:** Authorized City employees shall have the right to enter upon Customer's property at any time for the purpose of inspection and/or operating the disconnect device and meters and making additional tests concerning the operation and accuracy of the City's meters.

12. **Integration Clause:** This document constitutes the entire agreement between the parties and may not be amended except in writing, signed by the Parties.
13. **Assignment:** This agreement may not be assigned by Customer in whole or in part without the prior written consent of the City, which consent may be granted or withheld at the City's sole and absolute discretion.
14. **Relationship of the Parties:** Nothing in the agreement shall be constructed to imply joint venture or partnership between the parties.
15. **Governing Law and Venue:** This agreement shall be construed according to the laws of the State of Utah. The parties agree that venue for all legal actions, unless they involve the cause of action with mandatory federal jurisdiction, shall be the Fifth District court for the State of Utah. The parties further agree that the Federal District Court for the district of Utah shall be the venue for the cause of action with mandatory federal jurisdiction.
16. **Notices:** All notices, demands, and requests required for permitted to be given under this Agreement (collectively the "Notices") must be in writing and must be delivered personally or by nationally recognized overnight courier or sent by United States certified mail, return receipt requested, postage prepaid and addressed to the Parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally or on the next business day if sent by overnight courier, or three (3) business days after deposit in the mail if mailed. The initial addresses of the Parties shall be:
- To Customer:
- _____ (Name)
- _____ (Address)
- _____ (Address)
- _____ (System size in ACKW)

To City:

Kaysville City
Power Department
721 West Old Mill Lane
Kaysville, Utah 84037

Upon at least ten (10) ten day's prior written notice to the other Party, either Party shall have the right to change its address to any other address within the United States.

17. **Counterparts:** This agreement may be executed in counterparts each of which shall be original and shall constitute one of the same agreements.
18. **Attorney's Fees:** In the event of any action of suit by a party against the other Party for reason of any breach of any of the covenants, conditions, agreements or provisions on the part of the other Party arising out this Agreement, the prevailing Party in such action or suit shall be entitled to have and recover from the other party all costs and expenses incurred therein, including reasonable attorney's fees.
19. **Payment of Costs:** Provided Customer has not exercised its right to terminate this Agreement. Customer shall reimburse the City for Customer's share of costs under this agreement within thirty days of Customer's receipt of an invoice for such costs from City, which invoice shall contain reasonably satisfactory supporting documentation demonstrating that the work underlying such invoice has been performed and documentation demonstrating that the costs for which Customer is invoiced are the obligation of Customer pursuant to this Agreement.
20. **Counterparts:** This agreement may be signed in counterparts, each of which shall be deemed original and all of which when taken together shall constitute one instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives effective as of the day and year first above written.

KAYSVILLE CITY

STATE OF UTAH)
 : Ss.
COUNTY OF DAVIS)

On the day of _____, 20_____, personally appeared before me
_____, who being by me duly sworn did say, that they, the
Representative of Kaysville City Corporation, that the foregoing Agreement was signed and
executed in behalf of Kaysville City Corporation.

Notary Public

CUSTOMER

STATE OF UTAH)
 Ss,
COUNTY OF DAVIS)

On the _____ day of _____, 20_____, personally appeared
before me, _____ personally known to me or proved to me
on the basis of satisfactory evidence to be the person whose name is signed in the
foregoing document and acknowledged before that they signed it voluntarily for its stated
purpose.

Notary Public

Kaysville City
Commercial Generation
Program Application for
Interconnection Review

Please carefully read the following information. With the help of your installation Contractor, fully complete the form for Solar Electric Equipment, as well as Kaysville City Commercial Generation Agreement.

Building Permit Number/Plan Ref#: _____

Customer Name: _____

Customer
Address: _____

Contact Name: _____

Phone Number: _____ Fax Number: _____

Email: _____

A. EQUIPMENT INFORMATION

1. Solar Electric Module
Manufacturer: _____

Module Model Number: _____

2. Power Rating per Module: _____ DC Watts Number of Modules: _____

3. Total Array Output: _____ DC Watts (No. of Modules x Power Rating)

4. Inverter Model Number: _____

5. Inverter's Continuous AC Rating _____ AC Watts Number of Inverters: _____

6. Total Inverter Output: _____ AC Watts (Inverter Continuous AC Rating x Number of Inverters): _____

7. Inverters Continuous AC Rating x Number of Inverters): _____

B. EQUIPMENT LOCATION

1. Solar Electric Array Location: _____ Rooftop _____ Pole Mount or _____
Ground Mount Location:
 2. Solar Electric Module Orientation: _____ degrees (e.g., 180 degrees true
South)
 3. Solar Electric Module Tilt: _____ degrees (e.g., flat mount= 0
degrees; Vertical mount = 90 degrees)
 4. Solar Electric Module Tracking: _____ Fixed _____ Single-axis _____
Double-axis _____.
 5. Inverter Location: _____ Indoor _____ Outside Location _____
 6. Utility-Accessible AC Disconnect Switch Location:

 7. Production meter location noted on one line drawing (must be located outside
near Commercial meter)
Yes _____ No _____
 8. System Type and Mode Operation:

_____ Utility interactive (connected directly to the City's distribution system)

_____ Dedicated circuit, utility power as backup (transfer switch)

_____ Stand-alone (system confined to an independent circuit, no utility
backup)
 9. A one-page site map and system single line must accompany this application.
This document must indicate the location of the solar electric modules, the
inverter, batteries (if any), lockable disconnect switch, and point of connection
with the utility system. The installation address, current account number at that
address, and the installer's name and telephone number must also be included
on the site map.

Does this system include batteries or generator back up? _____ Yes _____ No
if yes, there may be additional review required.
 10. System rated output (Section A, line 3 above): _____ DC Watts
- Total installed System cost: \$ _____ Estimated Start-up date _____

Property Owners Signature

“EXHIBIT A”

Commercial Generation AND INTERCONNECTION INFORMATION

SECTION 1 CUSTOMER INFORMATION

Name:

Utility Customer Account Number (from the utility bill) Mailing
Address:

Physical Address: (if different from above)

Daytime Phone:

Evening Phone:

Email Address:

SECTION 2 Commercial Generation FACILITY INFORMATION

SYSTEM TYPE ____X____ Solar (PV)

Generator Size (kW AC)

Inverter Manufacturer:

Inverter Model:

Inverter Serial Number:

Inverter Power Rating:

Inverter Location:

Signed: _____

Date: _____

10-2-13 Commercial Generation Policy

1. **Applicability.** The Commercial Generation Program is available to all commercial Customers located within the City's current electrical service territory who:

- a. Purchase electricity from the City under the provisions of the Commercial electric rate service schedule; and
- b. Own and operate generating facility "GF" a solar, wind, or other qualified renewable generator or generators located on the Customer's premises that together:
 - i. Are primarily intended to offset part or all of the Customer's own electrical requirements on the premises;
 - ii. Do not exceed ____? kW in total capacity;
 - iii. Are interconnected with Kaysville City's electric system through a production meter and a Commercial meter (two meters); and
 - iv. Production Meter is connected to the Line side of the City's distribution system.

2. Special Conditions

- a. The Commercial Customer shall pay for all consumed energy used in accordance with the following formula: and be credited for all production:
 - i. The Customer shall be billed for the appropriate Customer charge and pay for all electric energy and Demand delivered to the Customer by Kaysville City Power and Light at the appropriate Commercial rate class.
 - a. The Customer shall be paid for all kWh's produced (Production meter) will be connected to the line side of the City's power system and record all kWh's produced by the Generating Facility, Customer will be credited at the Commercial Solar rates for all kWh's produced. Customer shall be billed for the energy supplied to Customer by the City's electric distribution system together with the appropriate Customer charge paid by other Customers of the City in the same rate class.
3. Follow all provisions in the Interconnection agreement.
 - i. Customer shall pay any amount owing for electric service provided by the City in accordance with applicable rates and policies. Nothing in this section shall limit the City's rights under applicable Rate schedules, City ordinances, Customer service policies, any charges deemed appropriate by the City Council and general provisions.
 - ii. In the event the Customer terminates service, the Customer will be paid for any credit balance according to the provisions set forth in Subsection (3) (a) (ii).
- a. The price for electric energy provided to a Customer participating in the Commercial Generation Program shall be the price charged by the City under the provisions of the electric service schedule for which the Customer receives service absent this electric Commercial Generation Program. All credited kWh's will be paid to the customer at the Commercial "GF" solar rate in place at that time.
- b. The Program billing adjustment only applies to charges for energy. Participating Commercial Generation Customers are subject to all other charges, rates, terms and conditions of the electric service schedule under which the Customer receives service except as expressly altered by this electric service Commercial Generation Program.

- c. The Customer will release to the City all renewable energy credits (REC), solar renewable-energy credits (S-REC), or other renewable attributes as appropriate based on actual on-site electric generation from the Renewable Resource.
 - d. The Customer shall provide, at Customer's own expense, all equipment necessary to meet applicable safety, power quality, and interconnection requirements established by the National Electric Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), Underwriters Laboratories (UL), and any applicable local and state agencies, including any equipment deemed necessary by the City's Power Department expressly to accommodate the Customer's request to qualify for this electric service Commercial Generation Program. The Customer must first obtain written approval from the City's Power Department before the Customer's on-site generating system is energized or interconnected with the City's electric system.
 - e. In order to participate in the City's Commercial Generation Program and to receive the benefits of this Program, the Customer must first sign a Commercial Generation Agreement with the City. The Interconnection and Service Agreement allows the Customer to interconnect and operate in parallel with the City's distribution system and allows the City to test and inspect the Customer's system periodically to ensure the safety of electrical workers and the integrity of the City's electric distribution system. The Interconnection and Service Agreement will contain additional terms and conditions for service under this electric service Commercial Generation Program, including specific terms of interconnection and parallel operation with the City's electrical system.
 - f. The Commercial Generation agreement may be adjusted or discontinued by the Kaysville City Council for any reason, at any time, without any obligation to existing participants.
 - g. The Commercial generation Agreement and Commercial generation policy is between Kaysville City and the Kaysville City business owner. No third parties.
 - h. The Customers "GF" shall not back feed onto Kaysville City's distribution system in the event of a power outage on Kaysville City's distribution system. This includes all "GF's" batteries and any type of fuel cell or storage system.
4. The City shall have the right to inspect a Customer's generating facility after interconnection approval is granted, at reasonable hours and with reasonable prior notice to the Customer. If the City discovers that the Customer's generating facility is not in compliance with the requirements of this policy, or that the Customer's facility adversely affects the safety or reliability of the electric distribution system, the City may require the Customer to disconnect the Customer's generating facility until compliance is achieved.
5. The City shall have the right to disconnect the Customer's generating facility in the event it causes problems. The Customer will have the option of correcting the problem, at which time the system will be re-inspected before beginning operation again. The Customer shall be required to install a manual disconnect device as stated in the Commercial Generation Interconnection and Service Agreement. The disconnect shall be readily accessible to City authorized personnel.
6. The Customer shall be responsible for any damage caused by the Customer's generating facility to the City's system and/or neighboring services. The Customer shall be responsible for the installation and maintenance of applicable protection equipment and for any damage caused by improper application, maintenance or faulty equipment. Kaysville City shall not be liable directly or indirectly for permitting or continuing to allow an attachment or a commercial generation facility, or for the acts or omissions of the customer's generator that cause loss or injury, including death, to any third party.