

DISTRIBUTED GENERATION AGREEMENT
FOR THE INTERCONNECTION AND PARALLEL OPERATION OF A
RESIDENTIAL DSTRIBUTED RENEWABLE GENERATION INSTALLATION

THIS AGREEMENT made this _____ day of _____, 20____, by and between _____, hereinafter referred to as the "Member," and Wharton County Electric Cooperative, hereinafter referred to as the "Cooperative" is as follows:

Purpose

This agreement defines the relationship between the Cooperative and Member including pricing and other terms affecting the purchase and sale of electricity as well as reasonable conditions for interconnection and parallel operation.

Cooperative owns and operates an electric utility engaged in the distribution of electricity serving portions of Wharton, Colorado, Matagorda, and Jackson Counties; and Member owns or intends to own, operate and maintain a Residential Distributed Generation System (DG System) of 20 KW or less and desires to interconnect and operate such installation in parallel with Cooperative's electric distribution system at address:

_____ ; and the parties hereto wish to contract for the purchase and sale of the electrical output from the DG System, and the terms of its interconnection with the Cooperative electric distribution system. THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereby contract and agree with each other as follows:

Article 1 | Effective Date

This Agreement shall be effective as of the date of execution by the latter of the two parties (the Effective Date) and, subject to the other terms of this Agreement, shall continue in effect for a period of one year, and month to month thereafter.

Article 2 | General Terms

The DG System will be installed at the Member's premises at the address specified above. The DG System shall not have a generation capacity greater than 20 KW and be connected at the Cooperative's standard secondary voltage. The Member shall install, operate and maintain the DG System in full and faithful compliance with all applicable federal, state and local laws, ordinances, rules and regulations, and generally accepted industry codes and standards, including, but not limited to the National Electrical Safety Code and the National Electrical Code. The Member shall promptly notify Cooperative upon receipt of any citation or other official notice of alleged violation of laws, ordinances, rules and regulations concerning the DG System.

The Cooperative agrees to use reasonable diligence to provide simultaneous electric service. Interconnection, parallel operation, sales and purchases of electricity will be governed by the Cooperative's Residential Distributed Renewable Generation Installation Rider which is part of the Cooperative's approved and published Tariff For Electric Service including any and all amendments that may hereafter be approved or ordered by any regulatory authority having jurisdiction, SAID TARIFF including all service rules, regulations, and rates IS A PART OF THIS AGREEMENT TO THE SAME EXTENT AS IF FULLY SET OUT HEREIN AND IS ON FILE AND AVAILABLE AT THE COOPERATIVE'S OFFICE.

Article 3 | Interconnection Process and Requirements

Prior to interconnection Member shall have:

- (1) fulfilled all requisites for the provision of electric utility service contained in the Agreement;
- (2) provide required information regarding the DG system;
- (3) comply with conditions for line extension (if required);
- (4) provide satisfactory liability insurance (if required);
- (5) sign and deliver this Agreement;
- (6) complete construction / comply with applicable laws, codes and industry practices; and
- (8) give notice of intent to energize and notify Cooperative to schedule inspection;

Member shall be solely responsible for the design, installation, operation, maintenance, and repair of the DG System and Member's interconnection facilities. The interconnection of the DG System to the Cooperative electrical system shall comply with the Public Utility Commission of Texas Substantive Rules §25.212 relating to Technical Requirements for Interconnection and Parallel Operation of On-Site Distributed Generation, (16 Texas administrative Code §25.212) or any successor rule addressing distributed generation. Cooperative shall inspect the DG System and the interconnection equipment.

All costs to interconnect with the Cooperative electric system shall be the responsibility of Member. Cooperative shall not be required to take or pay for any energy generated by the DG System until the DG System successfully passes Cooperative's Field Inspection and Member shall have reimbursed Cooperative for all its interconnection costs. Maintenance of the DG System shall be performed in accordance with the applicable manufacturer's recommended maintenance schedule.

Article 4 Indemnification

THE COOPERATIVE'S LIABILITY IS LIMITED IN ACCORDANCE WITH THIS AGREEMENT AND MEMBER SHALL INDEMNIFY, DEFEND AND SAVE HARMLESS COOPERATIVE, ITS ELECTED AND NON- ELECTED OFFICIALS, OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ANY AND ALL LIABILITIES, LOSSES, CLAIMS, DAMAGES, ACTIONS, SUITS OR DEMANDS FOR DAMAGES (INCLUDING COSTS AND ATTORNEY'S FEES, BOTH AT TRIAL AND ON APPEAL) ARISING OUT OF, RESULTING FROM, OR IN ANY MANNER CONNECTED WITH THE BREACH OF ANY WARRANTY OR REPRESENTATION MADE BY MEMBER IN THIS AGREEMENT, OR IN ANY MANNER CONNECTED WITH THE DESIGN, CONSTRUCTION, OPERATION, MAINTENANCE OR REPAIR OF ANY PART OF MEMBER'S DG SYSTEM OR INTERCONNECTION FACILITIES, INCLUDING, WITHOUT LIMITATION LIABILITIES, LOSSES, CLAIMS, DAMAGES, ACTIONS, SUITS OR DEMANDS FOR DAMAGES FOR OR ON ACCOUNT OF PERSONAL INJURY TO, OR DEATH OF, ANY PERSON, OR DAMAGE TO, OR DESTRUCTION OR LOSS OF, PROPERTY BELONGING TO MEMBER, COOPERATIVE OR ANY THIRD PERSON.

Article 5 | Installation and Information Warranty

Member warrants to Cooperative that the Member's power generating installation (DG System) is constructed and will be maintained in a safe and reliable condition and will comply with the latest applicable codes.

Member warrants and represents that:

- The DG System and associated other electrical components and devices meet National Electrical Code standards;
- All permits, inspections, approvals, and/or licenses necessary for the installation or operation of the DG System have been obtained. The DG System has been successfully tested to UL 1741 and IEEE 1547 standards or has been satisfactorily tested by an independent laboratory with published results.

Member shall provide manufacturer's data or other written proof acceptable to Cooperative to verify the accuracy of the foregoing warranties and representations. If any of foregoing warranties and representations are inaccurate, Cooperative may, without waiver of or prejudice to any other remedy, immediately disconnect the DG system from the Cooperative's electric system and terminate this agreement.

Article 6 | Interconnection Studies

Cooperative may perform interconnection studies, which shall include service study, coordination study, and utility system impact study, as needed and determined in the sole discretion of the Cooperative. In instances where such studies are deemed necessary, the scope of such studies shall be based on the characteristics of the particular distributed generation facility to be interconnected and the Cooperative's distribution system at the specific proposed location. Cooperative may charge Member fees for Pre-Interconnection Studies that recover the costs of performing such studies. Any modifications or additions to the Cooperative's Electric system identified through the interconnection study as required for the safe and reliable interconnection of Member's facility shall be solely at the Member's expense. Member shall not acquire any ownership in such modifications or additions to Cooperative's electric distribution system.

Article 7 | Metering Equipment

The actual metering equipment required, its voltage rating, number of phases and wires, size, current transformers, number of input and associated memory is dependent upon the type, size and location of the electric service provided. For all approved DG installations, the Cooperative will provide a meter that can measure the "Delivered KWh" (energy delivered by the Cooperative); the "Received KWh" (energy delivered to the Cooperative by the Member-Producer).

Article 8 | Cooperative Right to Disconnect

Cooperative shall not be obligated to accept and shall have the right to require Member to temporarily curtail, interrupt, or reduce, deliveries of energy in order to construct, install, maintain, repair, replace, remove, investigate, inspect, or test any part of the interconnection facilities, equipment, or any part of the Cooperative's electric system. Cooperative may disconnect, without notice, the DG System from the electric distribution system, if, in the Cooperative's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or Cooperative's facilities or other member's facilities from damage or interference caused by Member's DG System or lack of properly operating protective devices.

Article 9 | Parallel Operation

Member is responsible for installation, safe operation, protection, and maintenance of all equipment and wiring at and beyond the point where Member-Producer's conductors contact the Cooperative's conductors. The electrical power generated shall be compatible with Cooperative's standard distribution system at the point of delivery and of such quality that Cooperative's system is not adversely affected.

Article 10 | Purchases of Electricity from Member

As provided for in the Cooperative's Residential Distributed Generation Installation Rider Tariff,

- 1) Member and the Cooperative agree that the Member will sell exclusively to the Cooperative the excess electrical output from the DG system over and above the output of the DG system used by the Member's residence.
- 2) The Cooperative shall pay Member for the "KWh Received" (energy received by the Cooperative's Distribution System) at the Avoided Cost of Energy Rate (ACER).
- 3) The ACER is calculated based on the Cooperative's wholesale electric energy provider's monthly invoices. The Cooperative reserves the right to amend the ACER at any time.
- 4) Member shall exclusively purchase from the Cooperative its requirements of electric energy above the amounts generated by the DG system at the applicable tariff rate. If any tariff or rate is changed by the Cooperative, or by order or consent of any regulatory authority having a jurisdiction thereof whether or not at the request of the Cooperative, such changed tariff, rate/or redefined class of service shall be applicable to service provided hereunder from and after the effective date of such change.

Article 11 | Payment / Reimbursement for Energy

If the monthly amount paid to the Member for kWh received exceeds the amount of the Member's monthly retail electric service bill the resulting credit shall accumulate as a monetary credit to be applied to future energy purchases by Member. If at the end of the calendar year an accumulated monetary credit for the excess energy supplied to the Cooperative during the monthly billing period still exists, Cooperative will issue payment to Member equal to the amount of the remaining accumulated monetary credit. Accumulated credits, if any, will not carry forward to the next calendar year.

Article 12 | Access to Premise and DG System Interconnection

Member hereby grants Cooperative access on and across its property at any reasonable time to inspect the DG System and the interconnection equipment, to read or test meters and metering equipment, and to operate, maintain and repair Cooperative's facilities. No inspection by Cooperative of the DG System or the interconnection facilities shall impose on Cooperative any liability or responsibility for the operation, safety or maintenance of the DG system or Member's interconnection facilities.

Article 13 | Breach

A material failure of either party to fully, faithfully and timely perform its obligations under this Agreement shall be a breach of this Agreement. In the event of a breach which is not cured within thirty (30) days after receipt of written notice to the party in default, the party not in default may terminate this Agreement. Notwithstanding any other provision of this agreement, Cooperative may discontinue service or may disconnect the DG System or otherwise suspend taking energy from Member. All rights granted under this section are in addition to all other rights or remedies available at law or under this Agreement or the applicable Rules and Regulations of the Cooperative.

Article 14 | Entire Agreement

This agreement constitutes the entire agreement between the parties and supersedes all prior agreements between Member and Cooperative for the service herein described, and the Cooperative, its agents and employees have made no representations, promises, or made any inducements, written or verbal, which are

not contained herein. Member agrees that it is not relying on any statements not herein contained.

Article 15 | Notice

After the initial term, this agreement shall continue in force thereafter unless terminated by either party giving at least thirty (30) days written notice to the other. Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

If to Company:

Wharton County Electric Cooperative, Inc.
P.O. Box 31, El Campo, Texas 77437

If to Member:

Article 16 | Termination

Termination of this agreement will result in the disconnection of the distributed generation facility from the Cooperative's distribution system in accordance with good utility practice.

Article 17 | Assignments

This Agreement shall inure to the benefit of and by binding upon the heirs, successors, or assigns of each of the parties hereto. Member may not assign this Agreement without the prior written consent of the Cooperative. Any assignment without such consent shall be null and void.

Article 18 | Waiver

The failure of either party to insist in anyone or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provision or the relinquishment of any such right or any other right hereunder.

Article 19 | Interconnection Costs

Member agrees to pay for extension of Cooperative's facilities and other interconnection costs as follows:

\$_____ in advance of any work by the Cooperative.

Article 20 | Other Costs

Member agrees to reimburse Cooperative for all future costs, including:

- a. Costs required to correct the quality of service provided by Member,
- b. Costs of modification to Cooperative's system in order to purchase or continue to purchase Member's output, costs associated with meter reading, billing or other activities engaged in by Cooperative as a result

of the purchase of the Member's output, or other costs that may be assessed to the Cooperative by ERCOT, the Public Utility Commission, or other agencies and their successors that are attributable to distributed generation systems.

These costs may include, but are not limited to, the costs of special interconnection equipment, protective devices, control devices, upgrading of distribution system components; associated engineering and general and administrative expenses, maintenance and repair costs of the modifications and equipment, and other just and reasonable costs which are allocable to the Member-Producer's small power generating installation.

Article 21 | Review of Residential Distributed Renewable Generation Installation Rider Tariff

Member acknowledges it has reviewed the Cooperative's Residential Distributed Renewable Generation Installation Rider.

Article 22 | Disputes This Agreement and all disputes arising hereunder shall be governed by the laws of the State of Texas. Venue for all such disputes shall be proper and lie exclusively in Wharton County, Texas.

Article 23 | Approvals

IN WITNESS WHEREOF, the parties hereto have caused their names to appear below, signed by authorized representatives.

Wharton County Electric Cooperative, Inc.	
By (Signature):	_____
Name (Print):	_____
Title:	_____
Date:	_____

Member	
By (Signature):	_____
Name (Print):	_____
Date:	_____

Tariff for Electric Service

REVISION

PAGE

SECTION TITLE: Rates and Charges

Approved by Board of Directors

Effective Date: September 1, 2021

APPLICABILITY: All Areas Served

205.5 Residential Distributed Renewable Generation Installations Rider (DRG).

A. Availability.

This rider will be available to members in good standing receiving service under the Cooperative's standard residential rate schedule RES. Items B, C, and D of this rider apply to the interconnection and parallel operation of a single renewable generation installation that has a rated design capacity of 20kW or less. In order to qualify for this program, the Distributed Renewable Generation (DRG) installation must utilize renewable technologies (defined as wind, solar, or hydro) to produce energy. The Cooperative reserves the right to determine if a DRG installation qualifies for this program and may take in to account future renewable technologies.

B. Basic Charge

Member will be billed a basic interconnection charge of \$15.00 per month for providing this interconnection service.

C. Purchases from Producer.

The Cooperative will pay the producer for all power purchased at the current renewable rate which is calculated by taking an average of the Cooperative's wholesale power costs for generation only for the RES rate class and multiplying this rate by the total energy purchased by the cooperative. Energy to be purchased shall be the metered kWh produced by the DRG installation in excess of kWh consumed by the home where the DRG installation is installed. This credit will be shown on the member's standard RES monthly statement.

Tariff for Electric Service

REVISION

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D. Metering and equipment.

In addition to any existing meters, a separate meter will be required to measure the output of the DRG installation. All meters shall be ratcheted to measure flow in one direction only. A fused disconnect switch accessible to the cooperative shall be installed between the DRG meter and cooperative's facilities. The cooperative reserves the right to install additional relays on equipment and the right to disconnect a member's DRG installation if operational or safety issues are suspected or detected. Meter enclosures and meters will be supplied by the cooperative to the member at cooperative's standard price. The meters will remain the property of the cooperative and will be operated under the cooperative's standard policies.

Equipment to be interconnected must be certified to be compliant for parallel operation with a central station electric system as specified by UL1741/IEEE 1547 standards. All wiring shall be in accordance with the National Electric Code and all local, State and Federal codes. Member's equipment must be controlled to prevent the flow of energy into the cooperative's facilities in the event that cooperatives power is interrupted. All DRG metering and equipment as well as associated wiring and switchgear up to the point of interconnection with Cooperative, will be installed at customer's expense.

E. Renewable Energy Credits.

The Cooperative shall retain ownership of Renewable Energy Credits produced.