

State of Minnesota

Interconnection Agreement

For the Interconnection of Extended Parallel Distributed Generation Systems With Minnesota Power

This Generating System Interconnection Agreement is entered into by and between Minnesota Power and the Interconnection Customer “_____”. The Interconnection Customer and Minnesota Power are sometimes also referred to in this Agreement jointly as “Parties” or individually as “Party”.

In consideration of the mutual promises and obligations stated in this Agreement and its attachments, the Parties agree as follows:

I. SCOPE AND PURPOSE

- A) Establishment of Point of Common Coupling. This Agreement is intended to provide for the Interconnection Customer to interconnect and operate a Generation System with a total Nameplate Capacity of 10MWs or less in parallel with Minnesota Power at the location identified in Exhibit C and shown in the Exhibit A one-line diagram.
- B) This Agreement governs the facilities required to and contains the terms and condition under which the Interconnection Customer may interconnect the Generation System to Minnesota Power. This Agreement does not authorize the Interconnection Customer to export power or constitute an agreement to purchase or wheel the Interconnection Customer’s power. Other services that the Interconnection Customer may require from Minnesota Power, or others, may be covered under separate agreements.
- C) To facilitate the operation of the Generation System, this agreement also allows for the occasional and inadvertent export of energy to Minnesota Power. The amount, metering, billing and accounting of such inadvertent energy exporting shall be governed by Exhibit D (Operating Agreement). This Agreement does not constitute an agreement by Minnesota Power to purchase or pay for any energy, inadvertently or intentionally exported, unless expressly noted in Exhibit D or under a separately executed power purchase agreement (PPA).
- D) This agreement does not constitute a request for, nor the provision of any transmission delivery service or any local distribution delivery service.
- E) The Technical Requirements for interconnection are covered in a separate Technical Requirements document know as, the “State of Minnesota Distributed Generation Interconnection Requirements”, a copy of which as been made available to the Interconnection Customer and incorporated and made part of this Agreement by this reference.

II. DEFINITIONS

- A) “Area EPS” an electric power system (EPS) that serves Local EPS’s. Note: Typically, an Area EPS has primary access to public rights-of-way, priority crossing of property boundaries, etc. Minnesota Power’s distribution system is an Area EPS.

- B) “Area EPS Operator” the entity that operates the Area EPS, here Minnesota Power.
- C) “Dedicated Facilities” the equipment that is installed due to the interconnection of the Generation System and not required to serve other Minnesota Power customers.
- D) “EPS” (Electric Power System) facilities that deliver electric power to a load. Note: This may include generation units.
- E) “Extended Parallel” means the Generation System is designed to remain connected with Minnesota Power for an extended period of time.
- F) “Generation” any device producing electrical energy, i.e., rotating generators driven by wind, steam turbines, internal combustion engines, hydraulic turbines, solar, fuel cells, etc.; or any other electric producing device, including energy storage technologies.
- G) “Generation Interconnection Coordinator” the person or persons designated by Minnesota Power to provide a single point of coordination with the Applicant for the generation interconnection process.
- H) “Generation System” the interconnected generator(s), controls, relays, switches, breakers, transformers, inverters and associated wiring and cables, up to the Point of Common Coupling.
- I) “Interconnection Customer” the party or parties who will own/operate the Generation System and are responsible for meeting the requirements of the agreements and Technical Requirements. This could be the Generation System applicant, installer, owner, designer, or operator.
- J) “Local EPS” an electric power system (EPS) contained entirely within a single premises or group of premises.
- K) “Nameplate Capacity” the total nameplate capacity rating of all the Generation included in the Generation System. For this definition the “standby” and/or maximum rated kW capacity on the nameplate shall be used.
- L) “Point of Common Coupling” the point where the Local EPS is connected to Minnesota Power.
- M) “Point of Delivery” the point where the energy changes possession from one party to the other. Typically this will be where the metering is installed but it is not required that the Point of Delivery is the same as where the energy is metered.
- N) “Technical Requirements” “State of Minnesota Requirements for Interconnection of Distributed Generation.

III. DESCRIPTION OF INTERCONNECTION CUSTOMER'S GENERATION SYSTEM

- A) A description of the Generation System, including a single-line diagram showing the general arrangement of how the Interconnection Customer's Generation System is interconnected with Minnesota Power's distribution system, is attached to and made part of this Agreement as Exhibit A. The single-line diagram shows the following;
- 1) Point of Delivery (if applicable)
 - 2) Point of Common Coupling
 - 3) Location of Meter(s)
 - 4) Ownership of the equipment.
 - 5) Generation System total Nameplate Capacity _____ kW
 - 6) Scheduled operational (on-line) date for the Generation System.

IV. RESPONSIBILITIES OF THE PARTIES

- A) The Parties shall perform all obligations of this Agreement in accordance with all applicable laws and regulations, operating requirements and good utility practices.
- B) Interconnection Customer shall construct, operate and maintain the Generation System in accordance with the applicable manufacturer's recommended maintenance schedule, the Technical Requirements and in accordance with this Agreement.
- C) Minnesota Power shall carry out the construction of the Dedicated Facilities in a good and workmanlike manner, and in accordance with standard design and engineering practices.

V. CONSTRUCTION

The Parties agree to cause their facilities or systems to be constructed in accordance with the laws of the State of Minnesota and to meet or exceed applicable codes and standards provided by the NESC (National Electrical Safety Code), ANSI (American National Standards Institute), IEEE (Institute of Electrical and Electronic Engineers), NEC (National Electrical Code), UL (Underwriter's Laboratory), Technical Requirements and local building codes and other applicable ordinances in effect at the time of the installation of the Generation System.

- A) Charges and payments

The Interconnection Customer is responsible for the actual costs to interconnect the Generation System with Minnesota Power, including, but not limited to any Dedicated Facilities attributable to the addition of the Generation System, Minnesota Power labor for

installation coordination, installation testing and engineering review of the Generation System and interconnection design. Estimates of these costs are outlined in Exhibit B. While estimates, for budgeting purposes, have been provided in Exhibit B, the actual costs are still the responsibility of the Interconnection Customer, even if they exceed the estimated amount(s). All costs, for which the Interconnection Customer is responsible for, must be reasonable under the circumstances of the design and construction.

1) Dedicated Facilities

- a) During the term of this Agreement, Minnesota Power shall design, construct and install the Dedicated Facilities outlined in Exhibit B. The Interconnection Customer shall be responsible for paying the actual costs of the Dedicated Facilities attributable to the addition of the Generation System.
- b) Once installed, the Dedicated Facilities shall be owned and operated by Minnesota Power and all costs associated with the operating and maintenance of the Dedicated Facilities, after the Generation System is operational, shall be the responsibility of Minnesota Power, unless otherwise agreed.
- c) By executing this Agreement, the Interconnection Customer grants permission for Minnesota Power to begin construction and to procure the necessary facilities and equipment to complete the installation of the Dedicated Facilities, as outlined in Exhibit B. If for any reason, the Generation System project is canceled or modified, so that any or all of the Dedicated Facilities are not required, the Interconnection Customer shall be responsible for all costs incurred by Minnesota Power, including, but not limited to the additional costs to remove and/or complete the installation of the Dedicated Facilities. The Interconnection Customer may, for any reason, cancel the Generation System project, so that any or all of the Dedicated Facilities are not required to be installed. The Interconnection Customer shall provide written notice to Minnesota Power of cancellation. Upon receipt of a cancellation notice, Minnesota Power shall take reasonable steps to minimize additional costs to the Interconnection Customer, where reasonably possible.

2) Payments

- a) The Interconnection Customer shall provide reasonable adequate assurances of credit, including a letter of credit or personal guaranty of payment and performance from a creditworthy entity acceptable under Minnesota Power's credit policy and procedures for the unpaid balance of the estimated amount shown in Exhibit B.
- b) The payment for the costs outlined in Exhibit B, shall be as follows;
 - i. 1/3 of estimated costs, outlined in Exhibit B, shall be due upon execution of this agreement.
 - ii. 1/3 of estimated costs, outlined in Exhibit B, shall be due prior to initial energization of the Generation System, with Minnesota Power.
 - iii. Remainder of actual costs, incurred by Minnesota Power, shall be due within 30 days from the date the bill is mailed by Minnesota Power after project completion.

VI. DOCUMENTS INCLUDED WITH THIS AGREEMENT

- A) This agreement includes the following exhibits, which are specifically incorporated herein and made part of this Agreement by this reference: *(if any of these Exhibits are deemed not applicable for this Generation System installation they may be omitted from the final Agreement by Minnesota Power.)*
- 1) Exhibit A – Description of Generation System and single-line diagram. This diagram shows all major equipment, including, visual isolation equipment, Point of Common Coupling, Point of Delivery for Generation Systems that intentionally export, ownership of equipment and the location of metering.
 - 2) Exhibit B – Estimated installation and testing costs payable by the Interconnection Customer. Included in this listing shall be the description and estimated costs for the required Dedicated Facilities being installed by Minnesota Power for the interconnection of the Generation System and a description and estimate for the final acceptance testing work to be done by Minnesota Power.
 - 3) Exhibit C – Engineering Data Submittal – A standard form that provides the engineering and operating information about the Generation System.
 - 4) Exhibit D – Operating Agreement – This provides specific operating information and requirements for this Generation System interconnection. This Exhibit has a separate signature section and may be modified, in writing, from time to time with the agreement of both parties.
 - 5) Exhibit E – Maintenance Agreement – This provides specific maintenance requirements for this Generation System interconnection. This Exhibit has a separate signature section and may be modified, in writing, from time to time with the agreement of both parties.

VII. TERMS AND TERMINATION

- A) This Agreement shall become effective as of the date when both the Interconnection Customer and Minnesota Power have both signed this Agreement. The Agreement shall continue in full force and effect until the earliest date that one of the following events occurs:
- 1) The Parties agree in writing to terminate the Agreement; or
 - 2) The Interconnection Customer may terminate this agreement at any time, by written notice to Minnesota Power, prior to the completion of the final acceptance testing of the Generation System by Minnesota Power. Once the Generation System is operational then VII.A.3 applies. Upon receipt of a cancellation notice, Minnesota Power shall take reasonable steps to minimize additional costs to the Interconnection Customer, where reasonably possible.
 - 3) Once the Generation System is operational the Interconnection Customer may terminate this agreement after 30 days written notice to Minnesota Power, unless otherwise agreed to within the Exhibit D, Operating Agreement; or

- 4) Minnesota Power may terminate this agreement after 30 days written notice to the Interconnection Customer if:
 - a) The Interconnection Customer fails to interconnect and operate the Generation System per the terms of this Agreement; or
 - b) The Interconnection Customer fails to take all corrective actions specified in Minnesota Power's written notice that the Generation System is out of compliance with the terms of this Agreement, within the time frame set forth in such notice, or
 - c) If the Interconnection Customer fails to complete Minnesota Power's final acceptance testing of the generation system within 24 months of the date proposed under section III.A.5.
- B) Upon termination of this Agreement the Generation System shall be disconnected from Minnesota Power. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing, at the time of the termination.

VIII. OPERATIONAL ISSUES

Each Party will, at its own cost and expense, operate, maintain, repair and inspect, and shall be fully responsible for, the facilities which it now or hereafter may own, unless otherwise specified.

- A) Technical Standards: The Generation System shall be installed and operated by the Interconnection Customer consistent with the requirements of this Agreement; the Technical Requirements; the applicable requirements located in the National Electrical Code (NEC); the applicable standards published by the American National Standards Institute (ANSI) and the Institute of Electrical and Electronic Engineers (IEEE); and local building and other applicable ordinances in effect at the time of the installation of the Generation System.
- B) Right of Access: At all times, Minnesota Power's personnel shall have access to the disconnect switch of the Generation System for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement, to meet its obligation to operate Minnesota Power safely and to provide service to its customers. If necessary for the purposes of this Agreement, the Interconnection Customer shall allow Minnesota Power access to Minnesota Power's equipment and facilities located on the premises.
- C) Electric Service Supplied: Minnesota Power will supply the electrical requirements of the Local EPS that are not supplied by the Generation System. Such electric service shall be supplied, to the Interconnection Customer's Local EPS, under the rate schedules applicable to the Customer's class of service as revised from time to time by Minnesota Power.
- D) Operation and Maintenance: The Generation System shall be operated and maintained, by the Interconnection Customer in accordance with the Technical Standards and any additional requirements of Exhibit D and Exhibit E, attached to this document, as amended, in writing, from time to time.

- E) Cooperation and Coordination: Both Minnesota Power and the Interconnection Customer shall communicate and coordinate their operations, so that the normal operation of Minnesota Power does not unduly effect or interfere with the normal operation of the Generation System and the Generation System does not unduly effect or interfere with the normal operation of Minnesota Power. Under abnormal operations of either the Generation System or Minnesota Power's system, the responsible Party shall provide reasonably timely communication to the other Party to allow mitigation of any potentially negative effects of the abnormal operation of their system.
- F) Disconnection of Unit: Minnesota Power may disconnect the Generation System as reasonably necessary, for termination of this Agreement; non-compliance with this Agreement; system emergency, imminent danger to the public or Minnesota Power personnel; routine maintenance, repairs and modifications to Minnesota Power's distribution system. When reasonably possible Minnesota Power shall provide prior notice to the Interconnection Customer explaining the reason for the disconnection. If prior notice is not reasonably possible Minnesota Power shall after the fact, provide information to the Interconnection Customer as to why the disconnection was required. It is agreed that Minnesota Power shall have no liability for any loss of sales or other damages, including all consequential damages for the loss of business opportunity, profits or other losses, regardless of whether such damages were foreseeable, for the disconnection of the Generation System per this Agreement. Minnesota Power shall expend reasonable effort to reconnect the Generation System in a timely manner and to work towards mitigating damages and losses to the Interconnection Customer where reasonably possible.
- G) Modifications to the Generation System: When reasonably possible the Interconnection Customer shall notify Minnesota Power, in writing, of plans for any modifications to the Generation System interconnection equipment, including all information needed by Minnesota Power as part of the review described in this paragraph, at least twenty (20) business days prior to undertaking such modification(s). Modifications to any of the interconnection equipment, including, all interconnection required protective systems, the generation control systems, the transfer switches/breakers, interconnection protection VT's & CT's, and Generation System capacity, shall be included in the notification to Minnesota Power. When reasonably possible the Interconnection Customer agrees not to commence installation of any modifications to the Generating System until Minnesota Power has approved the modification, in writing, which approval shall not be unreasonably withheld. Minnesota Power shall have a minimum of five (5) business days to review and respond to the planned modification. Minnesota Power shall not take longer than a maximum of ten (10) business days, to review and respond to the modification after the receipt of the information required to review the modifications. When it is not reasonably possible for the Interconnection Customer to provide prior written notice, the Interconnection Customer shall provide written notice to Minnesota Power as soon as reasonably possible, after the completion of the modification(s).
- H) Permits and Approvals: The Interconnection Customer shall obtain all environmental and other permits lawfully required by governmental authorities prior to the construction of the Generation System. The Interconnection Customer shall also maintain these applicable permits and compliance with these permits during the term of this Agreement.

IX. LIMITATION OF LIABILITY

- A) Each Party shall at all times indemnify, defend, and save the other Party harmless from any and all damages, losses, claims, including claims and actions relating to injury or death of any person or damage to property, costs and expenses, reasonable attorneys'

fees and court costs, arising out of or resulting from the Party's performance of its obligations under this agreement, except to the extent that such damages, losses or claims were caused by the negligence or intentional acts of the other Party.

- B) Each Party's liability to the other Party for failure to perform its obligations under this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any punitive, incidental, indirect, special, or consequential damages of any kind whatsoever, including for loss of business opportunity or profits, regardless of whether such damages were foreseen.
- C) Notwithstanding any other provision in this Agreement, with respect to Minnesota Power's provision of electric service to any customer including the Interconnection Customer, Minnesota Power's liability to such customer shall be limited as set forth in Minnesota Power's tariffs and terms and conditions for electric service, and shall not be affected by the terms of this Agreement.

X. DISPUTE RESOLUTION

- A) Each Party agrees to attempt to resolve all disputes arising hereunder promptly, equitably and in a good faith manner.
- B) In the event a dispute arises under this Agreement, and if it cannot be resolved by the Parties within thirty (30) days after written notice of the dispute to the other Party, the Parties agree to submit the dispute to mediation by a mutually acceptable mediator, in a mutually convenient location in the State of Minnesota. The Parties agree to participate in good faith in the mediation for a period of 90 days. If the parties are not successful in resolving their disputes through mediation, then the Parties may refer the dispute for resolution to the Minnesota Public Utilities Commission (MPUC), which shall maintain continuing jurisdiction over this Agreement.

XI. INSURANCE

- A) At a minimum, In connection with the Interconnection Customer's performance of its duties and obligations under this Agreement, the Interconnection Customer shall maintain, during the term of the Agreement, general liability insurance, from a qualified insurance agency with a B+ or better rating by "Best" and with a combined single limit of not less than:
 - 1) Two million dollars (\$2,000,000) for each occurrence if the Gross Nameplate Rating of the Generation System is greater than 250kW.
 - 2) One million dollars (\$1,000,000) for each occurrence if the Gross Nameplate Rating of the Generation System is between 40kW and 250kW.
 - 3) Three hundred thousand (\$300,000) for each occurrence if the Gross Nameplate Rating of the Generation System is less than 40kW.
 - 4) Such general liability insurance shall include coverage against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of the Interconnection Customer's ownership and/or operating of the Generation System under this agreement.

- B) The general liability insurance required shall, by endorsement to the policy or policies, (a) include Minnesota Power as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that Minnesota Power shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for the payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to Minnesota Power prior to cancellation, termination, alteration, or material change of such insurance.
- C) If the Generation System is connected to an account receiving residential service from Minnesota Power and its total generating capacity is smaller than 40kW, then the endorsements required in Section XI.B shall not apply.
- D) The Interconnection Customer shall furnish the required insurance certificates and endorsements to Minnesota Power prior to the initial operation of the Generation System. Thereafter, Minnesota Power shall have the right to periodically inspect or obtain a copy of the original policy or policies of insurance.
- E) Evidence of the insurance required in Section XI.A. shall state that coverage provided is primary and is not excess to or contributing with any insurance or self-insurance maintained by Minnesota Power.
- F) If the Interconnection Customer is self-insured with an established record of self-insurance, the Interconnection Customer may comply with the following in lieu of Section XI.A – E:
 - 1) Interconnection Customer shall provide to Minnesota Power, at least thirty (30) days prior to the date of initial operation, evidence of an acceptable plan to self-insure to a level of coverage equivalent to that required under section XI.A.
 - 2) If Interconnection Customer ceases to self-insure to the level required hereunder, or if the Interconnection Customer is unable to provide continuing evidence of its ability to self-insure, the Interconnection Customer agrees to immediately obtain the coverage required under Section XI.A.
- G) Failure of the Interconnection Customer or Minnesota Power to enforce the minimum levels of insurance does not relieve the Interconnection Customer from maintaining such levels of insurance or relieve the Interconnection Customer of any liability.
- H) All insurance certificates, statements of self-insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

Minnesota Power
Attention: Purchasing Manager
30 West Superior Street
Duluth, MN 55802

XII. MISCELLANEOUS

A) FORCE MAJEURE

- 1) An event of Force Majeure means any act of God, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. An event of Force Majeure does not include an act of negligence or intentional wrongdoing. Neither Party will be considered in default as to any obligation hereunder if such Party is prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations hereunder.
- 2) Neither Party will be considered in default of any obligation hereunder if such Party is prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations hereunder.

B) NOTICES

- 1) Any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person or sent by first class mail, postage prepaid, to the person specified below:
 - a) If to Minnesota Power:

Minnesota Power
Attention: Frank Kornbaum
PO Box 60,
Little Falls, MN 56345
 - b) If to Interconnection Customer:

Attention: Generation Coordinator
_____, MN _____
- 2) A Party may change its address for notices at any time by providing the other Party written notice of the change, in accordance with this Section.
- 3) The Parties may also designate operating representatives to conduct the daily communications which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party's notice to the other Party.

C) ASSIGNMENT

The Interconnection Customer shall not assign its rights nor delegate its duties under this Agreement without Minnesota Power's written consent. Any assignment or delegation the Interconnection Customer makes without Minnesota Power's written consent shall not be valid. Minnesota Power shall not unreasonably withhold its consent to the Generating Entities assignment of this Agreement.

D) NON-WAIVER

None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

E) GOVERNING LAW AND INCLUSION OF MINNESOTA POWER'S TARIFFS AND RULES

- 1) This Agreement shall be interpreted, governed and construed under the laws of the State of Minnesota as if executed and to be performed wholly within the State of Minnesota without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.
- 2) The interconnection and 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 Minnesota Power, which tariff schedules and rules are hereby incorporated into this Agreement by this reference.
- 3) Notwithstanding any other provisions of this Agreement, Minnesota Power shall have the right to unilaterally file with the MPUC, pursuant to the MPUC's rules and regulations, an application for change in rates, charges, classification, service, tariff or rule or any agreement relating thereto.

F) AMENDMENT AND MODIFICATION

This Agreement can only be amended or modified by a writing signed by both Parties.

G) ENTIRE AGREEMENT

This Agreement, including all attachments, exhibits, and appendices, constitutes the entire Agreement between the Parties with regard to the interconnection of the Generation System of the Parties at the Point(s) of Common Coupling expressly provided for in this Agreement and supersedes all prior agreements or understandings, whether verbal or written. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement. Each party also represents that in entering into this Agreement, it has not relied on the promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement or in the incorporated attachments, exhibits and appendices.

H) CONFIDENTIAL INFORMATION

Except as otherwise agreed or provided herein, each Party shall hold in confidence and shall not disclose confidential information, to any person (except employees, officers, representatives and agents, who agree to be bound by this section). Confidential information shall be clearly marked as such on each page or otherwise affirmatively identified. If a court, government agency or entity with the right, power, and authority to do so, requests or requires either Party, by subpoena, oral disposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirements(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. In the absence of a protective order or waiver the Party shall disclose such confidential information which,

in the opinion of its counsel, the party is legally compelled to disclose. Each Party will use reasonable efforts to obtain reliable assurance that confidential treatment will be accorded any confidential information so furnished.

I) **NON-WARRANTY**

Neither by inspection, if any, or non-rejection, nor in any other way, does Minnesota Power give any warranty, expressed or implied, as to the adequacy, safety, or other characteristics of any structures, equipment, wires, appliances or devices owned, installed or maintained by the Interconnection Customer or leased by the Interconnection Customer from third parties, including without limitation the Generation System and any structures, equipment, wires, appliances or devices appurtenant thereto.

J) **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.

XIII. SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

Interconnection Customer

By: _____

Name: _____

Title: _____

Date: _____

Minnesota Power

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

GENERATION SYSTEM DESCRIPTION AND SINGLE-LINE DIAGRAM

EXHIBIT B

SUMMARY OF MINNESOTA POWER COSTS AND DESCRIPTION OF DEDICATED FACILITIES BEING INSTALLED BY MINNESOTA POWER FOR THE INTERCONNECTION OF THE GENERATION SYSTEM

This Exhibit shall provide the estimated total costs that will be the responsibility of the Interconnection Customer. It is assumed that the Initial application has been filed and the engineering studies have been paid for and completed, so those costs are not included on this listing.

What is listed below is a general outline of some of the major areas where costs could occur. Other costs than those listed below may be included by Minnesota Power, provided that those costs are a direct result from the request to interconnect the Generation System. The following list is only a guideline and Minnesota Power, for each installation, will be creating a unique Exhibit B that is tailored for that specific Generation System interconnection.

- A) Dedicated Facilities (equipment, design and installation labor)
- B) Monitoring & Control System (equipment, design and installation labor)
- C) Design Coordination and Review
- D) Construction Coordination labor costs
- E) Testing (development of tests and physical testing)
- F) Contingency

EXHIBIT C

ENGINEERING DATA SUBMITTAL

Attach a completed Engineering Data Submittal form from Appendix C of “State of Minnesota Interconnection Process for Distributed Generation Systems”.

EXHIBIT D

OPERATING AGREEMENT

Each Generation System interconnection will be unique and will require a unique Operating Agreement. The following is a listing of some of the possible areas that will be covered in a operating agreement. The following has not been developed into a standard agreement due to the unique nature of each Generation System. It is envisioned that this Exhibit will be tailored by Minnesota Power for each Generation System interconnection. It is also intended that this Operating Agreement Exhibit will be reviewed and updated periodically, to allow the operation of the Generation System, to change to meet the needs of both Minnesota Power and the Interconnection Customer, provided that the change does not negatively affect the other Party. There may also be operating changes required by outside issues, such as changes in FERC and MISO requirements and/or policies which will require this Operating Agreement to be modified.

The following items are provided to show the general types of items which may be included in this Operating Agreement. The items included in the Operating Agreement shall not be limited to the items shown on this list.

- A) Applicable Minnesota Power Tariffs – discussion on which tariffs are being applied for this installation and possibly how they will be applied.
- B) Var Requirements – How will the Generation System be required to operate so as to control the power factor of the energy flowing in either direction across the interconnection?
- C) Inadvertent Energy – This Operating Agreement needs to provide the method(s) that will be used to monitor, meter and account for the inadvertent energy used or supplied by the Generation System. Tariffs and operating rules that apply for this Generation System interconnection shall be discussed in this Operating Agreement.
- D) Control Issues - Starting and stopping of the generation, including the remote starting and stopping, if applicable.
- E) Dispatch of Generation Resources - What are the dispatch requirements for the Generation System, Can it only run during Peak Hours? Are there a limited number of hours that it can run? Is it required to have met an availability percentage? This will greatly depend upon the PPA and other requirements. Is the Interconnection Customer required to coordinate outages of the Generation System, with Minnesota Power?
- F) Outages of Distribution System – How are emergency outages handled? How are other outages scheduled? If the Interconnection Customer requires Minnesota Power to schedule the outages during after-hours, who pays for Minnesota Power's overtime?
- G) Notification / Contacts - Who should be notified? How should they be notified? When should they be notified? For what reasons, should the notification take place?

- 1) Starting of the Generation

- 2) Dispatching of Generation
 - 3) Notification of failures (both Minnesota Power and Generation System failures)
- H) Documentation of Operational Settings – How much fuel will the generation System typically have on hand? How long can it run with this fuel capacity? How is the generation system set to operate for a power failure? These may be issues that should be documented in the Operating Agreement. The following are a couple of examples:
- 1) “The Generation System will monitor Minnesota Power phase voltage and after 2 seconds of any phase voltage below 90% the generation will be started and the load transferred to the generator, if the generation is not already running.”
 - 2) “The Generation System will wait for 30 minutes after it senses the return of Minnesota Power frequency and voltage, before it will automatically reconnect to Minnesota Power”
- I) Cost of testing for future failures – If a component of the Generation System fails or needs to be replaced, which effects the interconnection with Minnesota Power, what is the process for retesting, and for replacement? Who pays for the additional costs of Minnesota Power to work with the Interconnection Customer to resolve these problems and/or to complete retesting of the modified equipment?
- J) Right of Access: At all times, Minnesota Power shall have access to the disconnect switch of the Generation System for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement, to meet its obligation to operate Minnesota Power’s distribution system safely and to provide service to its customers, at all times. If necessary for the purpose of this Agreement, the Interconnection Customer shall allow Minnesota Power access to Minnesota Power’s equipment and facilities located on the premises.

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

Interconnection Customer

By: _____

Name: _____

Title: _____

Date: _____

Minnesota Power

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT E

MAINTENANCE AGREEMENT

Each Generation System interconnection will be unique and will require a unique Maintenance Agreement. It is envisioned that this Exhibit will be tailored for each Generation System interconnection. It is also intended that this Maintenance Agreement Exhibit will be reviewed and updated periodically, to allow the maintenance of the Generation System be allowed to change to meet the needs of both Minnesota Power and the Interconnection Customer, provided that change does not negatively affect the other Party. There may also be changes required by outside issues; such as changes in FERC and MISO requirements and/or policies which will require this agreement to be modified.

A) Routine Maintenance Requirements –

- 1) Who is providing maintenance – Contact information
- 2) Periods of maintenance

B) Modifications to the Generation System - The Interconnection Customer shall notify Minnesota Power, in writing of plans for any modifications to the Generation System interconnection equipment at least twenty (20) business days prior to undertaking such modification. Modifications to any of the interconnection equipment, including all required protective systems, the generation control systems, the transfer switches/breakers, VT's & CT's, generating capacity and associated wiring shall be included in the notification to Minnesota Power. The Interconnection Customer agrees not to commence installation of any modifications to the Generating System until Minnesota Power has approved the modification, in writing. Minnesota Power shall have a minimum of five (5) business days and a maximum of ten (10) business days, to review and respond to the modification, after the receipt of the information required to review the modifications.

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

Interconnection Customer

By: _____

Name: _____

Title: _____

Date: _____

Minnesota Power

By: _____

Name: _____

Title: _____

Date: _____