

Albemarle EMC

System Impact Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____, a Cooperative existing under the laws of the State of North Carolina, ("Cooperative"). Interconnection Customer and the Cooperative each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Cooperative's System;

WHEREAS, the Interconnection Customer has requested the Cooperative to perform a system impact study(s) to assess the impact of interconnecting the Small Generating Facility with the Cooperative's System, and of any Affected Systems;

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the Cooperative's Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Cooperative will cause to be performed a system impact study(s) consistent with the Cooperative's Small Generator Interconnection Procedures.
- 3.0 The scope of a System Impact Study will be subject to the assumptions set forth in Attachment A to this Agreement.

- 4.0 A System Impact Study will be based upon the technical information provided by Interconnection Customer in the Interconnection Request. The Cooperative reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the System Impact Study. If the information requested by the Cooperative is not provided by the Interconnection Customer within a reasonable timeframe to be identified by the Cooperative in writing, the Cooperative shall provide the Interconnection Customer written notice providing an opportunity to cure such failure by the close of business on the tenth (10th) Business Day following the posted date of such notice, where failure to provide the information requested within this period shall result in the study being terminated and the Interconnection Request being deemed withdrawn. The period of time for the Cooperative to complete the System Impact Study shall be tolled during any period that the Cooperative has requested information in writing from the Interconnection Customer necessary to complete the study and such request is outstanding.
- 5.0 In performing the study, the Cooperative will rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer will not be charged for such existing studies; however, the Interconnection Customer will be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the study.
- 6.0 The System Impact Study Report will provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Generating Facility as proposed:
- 6.1. Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection, considering the Nameplate Capacity of the Generating Facility;
 - 6.2. Initial identification of any thermal overload or voltage limit violations resulting from the interconnection, considering the Maximum Generating Capacity of the Generating Facility; and
 - 6.3. Initial review of grounding requirements and electric system protection
- 7.0 The System Impact Study will model the impact of the Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Generating Facility is being installed.
- 8.0 The study will include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.

- 9.0 A System Impact Study will consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary.
- 10.0 The System Impact Study will also include an analysis of distribution and transmission impacts as may be necessary to understand the impact of the proposed Generation Facility on electric system operation.
- 11.0 A System Impact Study will state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service.
- 12.0 The System Impact Study will provide the Preliminary Estimated Upgrade Charge, which is a preliminary indication of the cost and length of time that would be necessary to correct any System problems identified in those analyses and implement the interconnection
- 13.0 The System Impact Study will provide the Preliminary Estimated Interconnection Facilities Charge, which is a preliminary indication of the cost and length of time that would be necessary to provide the Interconnection Facilities.
- 14.0 A distribution System Impact Study will incorporate a load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.
- 15.0 Affected Systems may participate in the preparation of a System Impact Study, with a division of costs among such entities as they may agree. All Affected Systems will be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems, and the Cooperative may require additional time to complete a system impact study requiring review by Affected Systems.
- 16.0 The Cooperative will require additional time to complete the dual scenario System Impact Study reports for a Project B, beyond that typically required for a single Interconnection.
- 17.0 If the Cooperative uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 18.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced –
- 17.1 Are directly interconnected with the Cooperative’s electric system; or

- 17.2 Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and
- 17.3 Have a pending higher queued Interconnection Request to interconnect with the Cooperative's electric system.
- 18.0 A distribution System Impact Study, if required, will be completed and the results transmitted to the Interconnection Customer after this Agreement is signed by the Parties. The Cooperative will target completion for two months following execution of the Agreement but reserves the right to take additional time as may become reasonably necessary either due to complexity of the project or the press of other business. Similarly, a transmission system impact study, if required, will be completed and the results transmitted to the Interconnection Customer after this Agreement is signed by the Parties, or in accordance with the Cooperative's queuing procedures, with this process typically requiring in excess of two months' time.
- 19.0 Any study fees shall be based on the Cooperative's actual costs and will be deducted from the Interconnection Facilities Deposit made by the Interconnection Customer at the time of the Interconnection Request. After the study is completed, the Cooperative will deliver a summary of professional time.
- 20.0 The Interconnection Customer must pay any study costs that exceed the Interconnection Request Deposit without interest within 20 business days of receipt of the invoice. If the deposit exceeds the invoiced fees and the Interconnection Customer withdraws the Interconnection Request, the Cooperative will refund such excess, typically within 40 business days of the notification of termination without interest.
- 21.0 **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 North Carolina, without regard to its conflicts of law principles. 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.
- 22.0 **Amendment**
The Parties may amend this Agreement by a written instrument duly executed by both Parties.
- 23.0 **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.

24.0 Waiver

24.1 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.

24.2 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 Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Cooperative. Any waiver of this Agreement shall, if requested, be provided in writing.

25.0 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.

26.0 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.

27.0 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.

28.0 Subcontractors

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.

28.1 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 Cooperative be liable for the actions or inactions of the Interconnection Customer or its 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.

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

29.0 Reservation of Rights

Nothing in this Agreement shall limit the rights of the Parties except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS WHEREOF, 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 Cooperative]

[Insert name of Interconnection Customer]

Signed: _____

Signed: _____

Name (Printed):

Name (Printed):

Title: _____

Title: _____

**Attachment A to
Impact Study Agreement
Assumptions Used in Conducting the System Impact Study**

The system impact study shall be based upon the results of the interconnection request, subject to any modifications in accordance with the standard Small Generator Interconnection Procedures, and the following assumptions:

- 1) Designation of Point of Interconnection and configuration to be studied (to be completed by the Interconnection Customer and the Cooperative).

- 2) Other assumptions (listed below) are to be provided by the Interconnection Customer and the Cooperative.