

**VILLAGE OF LADD**

**NET METERING POLICY**

**2023**

Section 1: The Village of Ladd shall make available, upon request, net metering service to any customer taking service from the Village of Ladd's Electric Utility (hereinafter "utility") and who meets the requirements set forth in this Policy. For purposes of this Policy "net metering" means service to an electric customer under which electric energy generated by that electric customer from an eligible on-site generating facility owned by that customer and, under some circumstances, delivered to the local distribution facilities, may be used to offset electric energy provided by the electric utility to the electric customer as provided for in this Policy. The term "net metering" is not used as a limiting term, but rather is used in its general sense to include the full range of methods for valuing customer self-generation and implementing fair credits for excess energy delivered to the municipal distribution system by the customer. For multi-unit residential and commercial buildings, if all units are on the same account it qualifies as a single customer for purposes of this Policy. If individual units are separately metered and individual tenants have individual accounts, then the term "customer" only refers to the building owner and any usage by the owner. The utility cannot be responsible to allocate renewable generation facilities to individual accounts in a multi-unit residential or commercial building. Before the project starts construction, customer must complete the attached application form and receive approval from the Village of Ladd's General Superintendent (or his designee). Before the project in service date, the contractor must complete and deliver the attached Certification of Completion to the Ladd Village Clerk.

Section 2: For purposes of this Policy an eligible on-site generating facility shall be defined as a renewable generating facility, such as a photovoltaic facility and small wind turbines, and may include technology to store renewable energy at the customer's premises. Other forms of renewable generation shall be considered on a case-by-case basis. In all cases, facilities interconnected must be deemed by the utility to be renewable to qualify for this Policy.

Section 3: The electric generating facility must also abide by the utility's Interconnection Standards currently in place at the time of installation in order to be considered an eligible on-site generating facility.

Section 4: Subject to the limitations set forth herein, the utility shall make net metering service available upon request to any residential or small commercial electric customer of the utility with an eligible on-site generating facility owned by the customer. The determination as to whether a customer is considered a

residential or small commercial customer is based on the rate classification under which the customer takes electric service from the utility. The eligible on-site generating facility shall be located on the customer's premises and on the customer's side of the billing meter and be sized to primarily produce only enough electricity to offset the customer's own electrical requirements. Proper sizing of eligible on-site generating facilities shall be determined as set forth in Section 11 below.

Section 5: Any request for net metering service by a customer that is not a residential or small commercial customer of the utility shall be considered on a case-by-case basis. The decision with respect to such facilities shall be made by the Village's General Superintendent (or his designee) based on potential impacts to the distribution system or portions thereof and to the property of other customers of the utility. Customers that do not qualify for net metering service under this Policy shall be permitted to interconnect and self-generate as required by and in accordance with the Federal Energy Regulatory Commission's rules under the Public Utility Regulatory Policies Act (PURPA) on a case-by-case basis.

Section 6: Notwithstanding the provisions in Section 4, the utility reserves the authority to withhold, deny or delay approval of the interconnection of proposed on-site generating facilities and of net metering service hereunder if the operation of the facility would be considered unsafe or pose a risk of adverse impacts to the distribution system (or portions thereof) or to the property of other customers of the utility. The utility shall withhold approval for only so long as is reasonably necessary to remedy the risk of adverse impact. The utility shall only deny approval if the adverse impact cannot reasonably be remedied or if the customer refuses to meet all applicable State and local safety and electrical code requirements or refuses to provide payment of the costs of the improvements to the facility or the system that are required to accommodate the otherwise eligible on-site generating facility. The utility shall not be required to make unscheduled improvements to its distribution system or portions thereof to remedy the situation causing the delayed or withheld approval unless the customer agrees to pay for the reasonable costs thereof. Likewise, the utility may require a customer with an approved on-site generating facility that has been installed and begun to operate to suspend operations of the facility if it becomes unsafe or causes adverse impacts to the distribution system or portions thereof or to the property of other customers of the utility, and such suspension shall be in place only for so long as is reasonably necessary to remedy the adverse impact. The utility may require the customer to disconnect the on-site generating facility from the distribution system in serious situations.

Section 7: (a) Energy generated by the customer-owned generator during the billing period may supply all or a portion of the energy required by the customer's load. The customer shall be credited for excess energy delivered by the customer to the utility at the meter from the approved on-site generating facility.

(b) For all eligible on-site generating facilities, the following credit method shall be used to determine excess energy credit: All energy delivered by the utility to the customer at the meter, as reflected in the meter reading, shall be billed at the appropriate utility full retail energy rate. For any excess energy generated by the customer from an approved on-site generating facility and delivered by the customer to the utility at the meter, as reflected in the meter reading, a credit shall be created and applied to the customer's bill based upon the lesser of the full retail energy rate for the customer class and the avoided cost of energy. Avoided cost shall be determined as set forth in Section 10 below. The utility shall install an appropriate meter to measure both the energy delivered by the utility to the customer at the meter and the energy delivered by the customer to the utility at the meter from the approved on-site generating facility.

(c) Credits from electric energy delivered to the utility's municipal distribution system by the customer shall be used to offset usage based electric energy (kWh) charges only. No such credits shall be applied to, and the customer shall remain responsible for, (i) taxes, fees, and other charges that would otherwise be applicable to the net amount of electric energy (kWh) purchased by the customer from the utility or consumed by the customer, and (ii) other charges to the customer under any other rules, regulations or rates that are not based on per kilowatt-hour (kWh) charges, including but not limited to, basic service charges, customer service charges, facilities charges, demand charges, kVAR charges, transformation charges, taxes and assessments billed on other than kWh basis, rental fees, and late fees.

(d) The utility shall carry over any unused credits earned and apply those credits to subsequent billing periods to offset usage based electric energy (kWh) charges only for electric energy supplied to the customer by the utility until all credits are used or until the end of the annual period. The annual period shall end each year on April 30; provided however for new net metering customers with generating facilities installed during an annual period, the annual period shall end on April 30 of the following year. At the end of the annual period or in the event that the customer terminates service at the service location with the utility prior to the end of the annual period, any remaining credits in the customer's account shall expire and no credit or payment shall be due to the customer for such expired credits. In the event of termination of an account qualifying for net metering under this policy, any outstanding credits are surrendered. No credit or payment shall be due to the customer for such surrendered credits. Under no circumstance will credits for excess energy transfer to a new customer at the service location after the customer's service with the utility terminates.

**Section 8:** Any costs the utility incurs associated with the interconnection of generating facilities by a customer, including but not limited to changes in metering (to include the installation of a bi-directional meter), or other physical facilities, whether on the customer's premises or a reasonably necessary upgrade to the municipal distribution system or a portion thereof that is not on the

customer's premises, shall be borne by the customer seeking to install or for whom the generating facility was installed; provided, however, that such costs shall be capped at One Thousand, Five Hundred and no/100 Dollars (\$1,500.00) to each qualifying customer interconnecting facility of 10 kW or less. For those facilities greater than 10 kW that are deemed to qualify under this Policy, all costs associated with the interconnection of the generating facility shall be borne by the customer seeking to install or for whom the generating facility was installed. Costs assessed under this Section shall be demonstrable and cost-based. Such costs shall not include or be based on reduced sales by or lost revenues to the utility associated with net metering service.

Section 9: The utility shall develop such documents as needed to implement this Policy and any customer applying for or taking service hereunder shall execute all appropriate documents.

Section 10: For all on-site generating facilities that are placed in service after the effective date of the 2022 revisions to this Policy, "avoided cost" shall be determined based on the sum of (a) and (b) below:

(a) The rate in cents per kWh as published and approved annually by the governing body of the utility based on the calculations and recommendation from the utility's electric wholesale supplier. Such rate shall be approved annually in a public meeting. The rate shall take into consideration the following:

1. Historic, real-time pricing of the prior calendar year of energy in the wholesale market as valued at the locational marginal pricing (LMP) for that location as defined by the appropriately located Regional Transmission Organization (RTO).

2. Solar-weighted LMP: The simple average of the LMP weighted using Solar Weighting. Solar weighting is the expected production of each hour of a typical solar installation as determined using the National Renewable Energy Laboratory (NREL) System Advisory Model (SAM) as may be amended from time to time.

3. Capacity value: Appropriate RTO capacity price with solar factors applied for average system peak times.

4. Transmission Value: Appropriate RTO transmission cost recovery with solar factor applied for average peak times.

(b) The rate in cents per kWh as calculated by the utility for the avoidance of distribution system losses.

**Section 11:** The maximum size in kilowatts<sup>AC</sup> of the eligible on-site generating facility for an individual customer service location in the rate categories identified in Section 4 shall be determined as follows:

The installation of a renewable generating facility under this Policy is intended to supply all or a portion of the customer's own usage of electricity. Therefore, in order to be approved, a renewable generating facility must be properly sized so as not to exceed the customers expected annual usage based on the customer's current energy needs. It is also important to the customer that the generating facilities are properly sized because the credits under this Policy for excess energy delivered to the distribution system expire if not used within the time period established in this Policy. As part of the interconnection application, customer's energy usage will be analyzed using 36-months of historical energy usage (if available) in order to calculate the customer's expected annual usage. If a customer provides documentation specifying why the usage has increased over that time, such as home renovation/addition or installation of electric heating or an electric vehicle charging station on the premises, then the previous 12-month period shall be used to determine the average for the expected annual usage. If the applicable months of data are not available for an individual customer, the average usage amounts by other similar customers of the utility, as determined by the utility, shall be used to set the expected annual usage. If facilities are allowed for customers in other rate classes, the right-sizing shall be determined on a case-by-case basis.

In addition to the foregoing historic usage, the utility shall consider potential adverse impacts to the distribution system and to other customers of the utility that will be caused by or expected to be caused by the installation of the new renewable generating facility at the particular customer service location as part of the interconnection application review. The maximum size of the eligible on-site generating facility for an individual customer service location shall be reduced below the expected annual usage of the customer to mitigate the potential adverse impacts to the distribution system or portions thereof and to the other customers of the utility unless the customer pays for any necessary upgrade to the system or portion thereof to avoid the potential adverse impact.

**Section 12:** The utility reserves the right to interpret, amend or rescind this Policy. Nothing herein is intended to nor shall it create a right for a customer to rely on any particular netting or crediting methodology contained in the Policy from time to time, and all rates for excess credits are subject to change in accordance with the laws of the State of Illinois governing municipalities.

**Section 13:** Citizen and customer concerns generally with this Net Metering Policy may be raised in the public comment portion of any open meeting of the governing body of the utility at any time and will be considered by the governing body in accordance with its normal processes. Individual customer complaints, disputes or concerns shall be raised in the first instance with the Village's General

Superintendent (or his designee). If the matter cannot be resolved at the utility staff level, this issue shall be reduced to writing and forwarded to the Village President who shall schedule a meeting in person or by telephone or other communications media (i.e., Zoom call) with the customer and the Village's General Superintendent (or his designee). The customer may invite customer's contractor or other consultant to participate in the meeting. If the matter cannot be resolved at this stage, the process will escalate to the Village's Board of Trustees, who shall make the final decision. If this process fails to resolve the matter, the customer may appeal it to the Circuit Court and exercise whatever rights and remedies the customer may have in law or equity. This Policy shall be posted on the Village's website along with appropriate contact information.

**VILLAGE OF LADD**

**STANDARD DISTRIBUTED GENERATION INTERCONNECTION**

**INTERCONNECTION REQUEST APPLICATION FORM  
(Lab-Certified, Inverter-Based Distributed Generation Facilities,  
20 kW and Smaller)**

**Interconnection Applicant Contact Information**

Customer Name: \_\_\_\_\_

Primary Contact: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone (Daytime): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**Additional Contact Information (if different from primary contact):**

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone (Daytime): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**Equipment Contractor**

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone (Daytime): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**Electrical Contractor (if Different from Equipment Contractor):**

Name: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Telephone (Daytime): \_\_\_\_\_ (Evening): \_\_\_\_\_  
Fax Number: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_  
Contractor License number: \_\_\_\_\_  
Active License? \_\_\_\_\_ Yes \_\_\_\_\_ No  
Registered with Municipality? \_\_\_\_\_ Yes \_\_\_\_\_ No

**Distributed Generation Facility ("Facility") Information:**

Facility Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Village of Ladd serving Facility site: \_\_\_\_\_ Yes \_\_\_\_\_ No  
Village's Account Number for Facility site: \_\_\_\_\_  
Inverter Manufacturer: \_\_\_\_\_ Model: \_\_\_\_\_  
Is the inverter lab-certified as that term is defined in the Illinois Distributed Generation Interconnection Standard? \_\_\_\_\_ Yes \_\_\_\_\_ No

(If yes, attach manufacturer's technical specifications and label information from a nationally recognized testing laboratory.)

Generation Facility Nameplate Rating: \_\_\_\_\_ (kW) \_\_\_\_\_ (kVA) \_\_\_\_\_ (AC Volts)  
Prime Mover:: \_\_\_\_\_ Photovoltaic \_\_\_\_\_ Turbine  
Energy Source: \_\_\_\_\_ Solar \_\_\_\_\_ Wind  
In-Service Date: \_\_\_\_\_

**(If the In-Service Date changes, the interconnection customer must inform the utility as soon as it is aware of the changed date.)**



**Insurance Disclosure**

The attached terms and conditions contain provisions related to liability and indemnification, and should be carefully considered by the interconnection customer. The interconnection customer shall carry general liability insurance coverage, such as, but not limited to, homeowner's insurance or other insurance policy covering general liability. Whenever possible, the interconnection customer must name the Village of Ladd as an additional insured on its homeowner's insurance policy, or other insurance policy covering general liability.

**Customer Signature**

I hereby certify that: (1) I have read and understand the terms and conditions which are attached hereto by reference; (2) I hereby agree to comply with the attached terms and conditions; and (3) to the best of my knowledge, all of the information provided in this application request form is complete and true.

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

**Conditional Agreement to Interconnect Distributed Generation Facility:**

By its signature below, the Village of Ladd has determined the interconnection request is complete. Interconnection of the distributed generation facility is conditionally approved contingent upon the attached terms and conditions of this Agreement, the return of the attached Certificate of Completion, duly executed verification of electrical inspection and successful witness test.

Utility Representative Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

## **CERTIFICATE OF COMPLETION**

(To be completed and returned to the Ladd Village Clerk when installation is complete  
and final electric inspector approval has been obtained\*)

### **Interconnection Customer Information:**

Customer Name: \_\_\_\_\_

Primary Contact: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone (Daytime): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**Installer:** \_\_\_\_\_ Check if owner-installed ☐

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone (Daytime): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

### **Final Electric Inspection and Interconnection Customer Signature**

The distributed generation facility is complete and has been approved by the local electric inspector having jurisdiction. A signed copy of the electric inspector's form indicating final approval is attached. The interconnection customer acknowledges that it shall not operate the distributed generation facility until receipt of the final acceptance and approval by the utility as provided below.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
(Signature of interconnection customer)

Printed Name: \_\_\_\_\_

Check if copy of signed electric inspection form is attached: ☐ \_\_\_\_\_  
Check if copy of as built documents is attached (projects larger than 10 kVA only): ☐ \_\_\_\_\_

**CERTIFICATE OF COMPLETION**

**ACCEPTANCE AND FINAL APPROVAL FOR INTERCONNECTION**

**(for utility use only)**

The interconnection agreement is approved and the distributed generation facility is approved for interconnected operation upon the signing and return of this Certificate of Completion by utility:

Utility waives Witness Test? (Initial) Yes (\_\_\_\_) No (\_\_\_\_)

If not waived, date of successful Witness Test: \_\_\_\_\_ Passed: (Initial) \_\_\_\_\_

Utility Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

**Prior to interconnected operation,  
the interconnection customer is required to complete this form and return it to the utility.**

## **VILLAGE OF LADD**

### **CUSTOMER-OWNED GENERATING**

### **FACILITIES INTERCONNECTION AGREEMENT**

This Agreement, ("**Agreement**") is entered into by and between the Village of Ladd ("**Utility**"), and \_\_\_\_\_ ("**Customer**"). Customer and Utility are referenced in this Agreement collectively as "**Parties**" and individually as "**Party**."

### **RECITALS**

**WHEREAS**, Utility is a municipality-owned electric utility engaged in the retail sale of electricity in the State of Illinois.

**WHEREAS**, interconnection Customer is proposing to install, own, and operate an electric generating facility, or is proposing a generating capacity addition to an existing generating facility that qualifies under the Utility's Net Metering Policy (adopted March 8, 2022) consistent with the interconnection Utility's Request Application Form completed by Customer on \_\_\_\_\_,

### **AGREEMENT**

NOW, THEREFORE, in consideration of the covenants and promises herein, the Parties mutually agree as follows:

### **ARTICLE I**

#### **SCOPE AND LIMITATION OF AGREEMENT**

- 1.1 **Scope of Agreement.** This Agreement governs the terms and conditions under which the Customer's generating facility will interconnect with, and operate in parallel with, the distribution system. Terms used in this Agreement and not otherwise defined shall have the respective meaning given to them in the Utility's Net Metering Policy.
- 1.2 **Eligibility.** Interconnection to the Utility's electric system shall be granted only to new or existing Customers in good standing under the Utility's terms, conditions, rules, regulations and provisions for electric service. This Interconnection Agreement shall be between the Customer who owns a generating facility and the Utility.

- 1.3 **Request.** A Customer desiring to interconnect a qualifying generating facility must complete and return to the Utility an Interconnection Request Application Form with payment of the applicable processing fee. The processing fee for systems sized 20 kW<sub>AC</sub> and under is \$50.00. The processing fee for systems sized greater than 20 kW<sub>AC</sub> is \$200.00. The Utility may require additional details or clarifications as needed to properly evaluate the Application.
- 1.4 **System Effects.** The Utility will analyze the overall impact of the proposed generating facility on the distribution system. Such analyses will be based on Good Utility Practice to determine thermal effects, voltage fluctuations, power quality, system stability, and other parameters.
- 1.5 **System Upgrades.** As a result of the analysis described in section 1.4, the Utility will provide the Customer with a cost estimate and projected timeframe for any distribution system upgrades that may be necessary to accommodate the generating facility.
- 1.6 **Metering.** The interconnection Customer shall be responsible for the cost to purchase and install appropriate metering. Appendix A illustrates the sample of interconnection and metering requirement, ownership and responsibilities of the Parties.
- 1.7 **Codes and Permits.**
- a) The interconnection Customer shall be responsible for procuring all building, operating, and environmental permits that are required by any governmental authority having jurisdiction for the type of generating facility and for the necessary ancillary structures to be installed, if any.
  - b) The equipment shall meet the standards listed in Section 2.7.
  - c) The construction and facilities shall meet all applicable building and electrical codes.

## **ARTICLE II**

### **TECHNICAL REQUIREMENTS**

- 2.1 **Character of Service.** The electrical service shall be 60 cycles per second (60 Hertz) alternating current (AC) at supply voltages and number

of phases that apply under the Utility's terms, conditions, rules, regulations and provisions for electric service, including metering requirements.

**2.2 Codes Requirements.** Once the generating facility has been authorized to commence parallel operation, the interconnection Customer shall abide by all operating procedures established by the National Electrical Code (NEC), National Electrical Safety Code (NESC), Institute of Electrical and Electronics Engineers (IEEE), Underwriters Laboratories (UL), and Occupational Safety and Health Administration. Specific codes are listed in Section 2.7 below as "National Certification Codes and Standards". In addition, Manufacturer's Ownership, Operating and Maintenance Manuals shall be reviewed and accepted by both Parties prior to beginning operation.

**2.3 Generating Facility Control and Operation.** The control system of the generating facility shall comply with the IEEE specifications and standards for parallel operation with the Utility and in particular as follows:

- a) Power output control system shall automatically disconnect from distribution system upon loss of Utility voltage and not reconnect until Utility voltage has been restored and stabilized by the Utility.
- b) Power output control system shall ride through voltage fluctuations but shall automatically disconnect from distribution system if Utility or Customer-owned generation voltage fluctuates beyond plus or minus 10% (ten percent). The interconnection Customer shall provide adequate protection to prevent damage to the distribution system from inadvertent over/under voltage conditions originating in Customer's generating facility and to protect the Customer's generating facility from inadvertent over/under voltage conditions originating from the distribution system.
- c) Power output control system shall ride through frequency fluctuations but shall automatically disconnect from Utility if frequency fluctuates beyond plus or minus 2 cycles per second from 60 cycles per second (Hertz).
- d) Inverter output distortion shall meet IEEE requirements.
- e) The generating facility shall meet the applicable IEEE standards concerning impacts to the distribution system with regard to harmonic distortion, voltage flicker, power factor, direct current injection and electromagnetic interference.
- f) The voltage produced by the Customer's generating facility must be balanced if it is a three-phase installation. The interconnection

Customer is responsible for protecting the generating facility from an inadvertent phase imbalance in the Utility's service voltage.

- 2.4 **Fault Current Contribution.** The generating facility shall be equipped with protective equipment designed to automatically disconnect during fault current conditions and remain disconnected until the voltage and frequency have stabilized.
- 2.5 **Reclosing Coordination.** The generating facility shall be coordinated with the distribution system reclosing devices by disconnecting from the system during the initial de-energized operation and shall remain disconnected until the voltage and frequency have stabilized.
- 2.6 **Disconnect Device.** A safety manual disconnect switch of the visible load break type shall be installed by the customer. The disconnect switch shall be visible to and readily accessible by Utility personnel. The switch shall be capable of being locked in the open position and shall prevent the generator from supplying power to the distribution system.
- 2.7 **Standards for Interconnection, Safety, and Operating Reliability.** The interconnection of a generating facility and associated interconnection equipment to the Utility's distribution System shall meet the applicable provisions of the following publications:
  - a) ANSI/IEEE1547-2018 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1-2020 testing protocols to establish conformity) as they may be amended from time to time. The following standards shall be used as guidance in applying IEEE 1547;
  - b) IEEE Std 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems;
  - c) IEEE1453, IEEE Recommended Practice for the Analysis of Fluctuating Installation on Power Systems;
  - d) UL1741 requirement for inverter-based generation;
  - e) NESC Electric Safety Code;
  - f) ANSI/NFPA 70, National Electrical Code; and
  - g) OSHA (29 CFR § 1910.269).

### **ARTICLE III**

#### **INSPECTION, TESTING, AUTHORIZATION, AND RIGHT TO ACCESS**

##### **3.1 Equipment Testing and Inspection.**

- a) Upon completing construction, the interconnection Customer shall test and inspect its generating facility including the interconnection equipment prior to interconnection in accordance with updated IEEE standards 1547 and IEEE standard 1547.1. The interconnection Customer shall not operate its generating facility in parallel with distribution system without prior written authorization by the Utility.
- b) All interconnection related protective functions and associated direct current supplies shall be tested prior to commencement of commercial service, and (if nameplate rating of Customer's generating facilities is greater than 25 kW<sub>AC</sub>) periodically tested thereafter no less than every three (3) years.

##### **3.2 Certification of Completion.** The interconnection Customer shall provide the Utility with a copy of the Certificate of Completion with all relevant and necessary information fully completed by the interconnection Customer, as well as an inspection form from any local electrical inspection authority selected by the Utility demonstrating that the generating facility passed inspection.

##### **3.3 Witness Test.**

- a) The Utility shall be allowed to perform a witness test after construction of the generating facility is completed but before parallel operation, unless the Utility specifically waives the witness test. The interconnection Customer shall provide the Utility at least 30 business days' notice of the planned commissioning test for the generating facility. If the Utility decides to perform a witness test at a time that is not concurrent with the Customer's commissioning test, it shall contact the interconnection Customer to schedule the witness test at a mutually agreeable time within 10 business days after the Customer's commissioning test. The witness test is deemed waived unless the parties mutually agree to extend the date for scheduling the witness test, or unless the Utility cannot do so for good cause, in which case, the parties shall agree to another date for scheduling the test within 10 business day of the original scheduled date. For systems sized less than 25 kW<sub>AC</sub> the 30 business days' notice shall be waived.



- b) If the witness test is not acceptable to the Utility, the interconnection Customer has 30 business days to address and resolve any deficiencies. This time period may be extended upon agreement between the Utility and interconnection Customer. If the interconnection Customer fails to address and resolve the deficiencies to the satisfaction of the Utility, this Agreement shall be terminated. The interconnection Customer shall, if requested by the Utility, provide a copy of all documentation in its possession regarding testing conducted pursuant to IEEE standard 1547.1.
- c) After the generating facility passes the witness testing, the Utility shall affix an authorized signature to the Certificate of Completion and return it to the interconnection Customer approving the interconnection and authorization parallel operation.

- 3.4 **Right of Access.** The Utility must have access to the disconnect switch and metering equipment of the generating facility at all times without notice. When practical, the Utility shall provide notice to the Customer prior to using its right of access.

#### **ARTICLE IV**

##### **EFFECTIVE DATE, TERM, TERMINATION, AND DISCONNECTION**

- 4.1 **Effective Date.** This Agreement shall become effective upon execution by all parties.
- 4.2 **Term of Agreement.** This Agreement shall become effective on the effective date and shall remain in effect unless terminated earlier in accordance with Article 4.4 of this Agreement.
- 4.3 **Governing Law, Regulatory Authority, and Rules.** The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the Codes and Regulations of Village of Ladd as well as the laws of the State of Illinois without regard to its choice of law principals. Nothing in this Agreement is intended to affect any other agreement between the Utility and the interconnection Customer.
- 4.4 **Termination.** This Agreement may be terminated under the following conditions:

- a) By interconnection Customer - The interconnection Customer may terminate this Agreement by providing written notice to the Utility. If the interconnection Customer ceases operation of the generating facility, the interconnection Customer must notify the Utility.
- b) By the Utility - The Utility may terminate this Agreement if the interconnection Customer fails to remedy a violation of the terms of this Agreement within 30 calendar days after notice, or such other date as may be mutually agreed to prior to the expiration of the 30-calendar day remedy period. The termination date may be no less than 30 calendar days after the interconnection Customer receives notice of its violation from the Utility.
- c) Upon termination of this Agreement, the generating facility will be permanently disconnected from the distribution system. Terminating this Agreement does not relieve either party of its liabilities and obligations that are owed or continuing when the Agreement is terminated.
- d) Upon termination of this Agreement, the Utility shall open and padlock the manual disconnect switch on Customer's premises.

**4.5 Disconnection.** The Utility may temporarily disconnect the generating facility upon any of the following conditions, but must reconnect the generating facility once the condition is cured:

- a) For scheduled outages, provided that the generating facility is treated in the same manner as Utility's load Customers;
- b) For unscheduled outages or emergency conditions;
- c) If the generating facility does not operate in the manner consistent with this Agreement;
- d) Improper installation or failure to pass the witness test;
- e) If the generating facility is creating a safety, reliability or a power quality problem; or
- f) The interconnection equipment used by the generating facility is de-listed by the nationally recognized testing Laboratory that provided the listing at the time the interconnection was approved.

g) Failure of the customer to obtain or maintain the insurance coverage set forth in Article 7 of this Agreement.

- 4.6 **Modification of Generating Facility.** The interconnection Customer must receive written authorization from the Utility before making any changes to the generating facility that could affect the distribution system. If the interconnection Customer makes such modifications without the Utility's prior written authorization, the Utility shall have the right to disconnect the generating facility immediately.
- 4.7 **Permanent Disconnection.** In the event the Agreement is terminated, the Utility shall have the right to disconnect its distribution system or direct the interconnection Customer to disconnect its generating facility.
- 4.8 **Lost Opportunity.** The Utility is not responsible for any lost opportunity or other costs incurred by the interconnection Customer as a result of an interruption of service under this Article 4.

## **ARTICLE V**

### **COST RESPONSIBILITY FOR INTERCONNECTION**

#### **FACILITIES AND DISTRIBUTION UPGRADES**

- 5.1 **Interconnection Facilities.**
- a) The interconnection Customer is responsible for the cost of additional interconnection facilities necessary to interconnect the generating facility with the distribution system.
  - b) The interconnection Customer is responsible for its expenses, including overheads, associated with owning, operation, maintaining, repairing, and replacing its interconnection equipment
- 5.2 **Distribution System Upgrades.** The Utility shall design, procure, construct, install, and own any distribution system upgrades. The cost of the distribution system upgrades shall be directly assigned to the interconnection Customer whose generating facility caused the need for the distribution system upgrades.
- 5.3 **Cost for Small Systems.** For qualifying systems sized 10 kW<sub>AC</sub> or less the cost in section 5.1 shall be capped at \$1500.

## ARTICLE V

### **ASSIGNMENT, LIMITATION ON DAMAGES, INDEMNITY, FORCE MAJEURE**

- 6.1 **Assignment/Transfer of Ownership of the Generating Facility.** This Agreement shall terminate upon the transfer of ownership of the generating facility to a new owner unless the transferring owner assigns the Agreement to the new owner, the new owner agrees in writing to the terms of this Agreement, and the transferring owner so notifies the Utility in writing prior to the transfer of ownership.
- 6.2 **Limitation of Liability.** Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of 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 indirect, incidental, special, consequential, or punitive damages of any kind whatsoever.
- 6.3 **Indemnification.** The interconnection Customer shall indemnify and defend the municipality, Utility and the elected officials, directors, officers, employees, and agents from all damages and expenses resulting from any third party claim arising out of or based upon the interconnection Customer's (a) negligence or willful misconduct; (b) breach of this Agreement; or (c) the operation of the Customer's generating facility, regardless of Customer's negligence or willful misconduct, except when and to the extent the loss occurs due to the grossly negligent actions of the Utility. The Utility shall indemnify and defend the interconnection Customer and the interconnection Customer's directors, officers, employees, and agents from all damages and expenses resulting from a third-party claim arising out of or based upon the Utility's (a) negligence or willful misconduct or (b) breach of this Agreement.
- 6.4 **Force Majeure.** If a force majeure event prevents a Party from fulfilling any obligations under this Agreement, the Party effected by the force majeure event (Affected Party) shall notify the other Party of the existence of the force majeure event within one business day. The notification must specify the circumstances of the force majeure event, the expected duration, and the steps that the Affected Party is taking and will take to mitigate the effects of the event on its performance. If the initial notification is verbal, it must be followed up with a written notification within one business day. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the force majeure event until the event ends. The Affected Party may suspend or modify its

obligations under this Agreement. The term "force majeure" shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, epidemic, pandemic, breakage or accident to machinery or equipment, an order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's reasonable control. A Force Majeure event does not include an act of negligence or intentional wrongdoing by the Party claiming Force Majeure.

## **ARTICLE VII**

### **INSURANCE**

- 7.1 **Insurance.** The interconnection customer shall carry general liability insurance coverage, such as, but not limited to, homeowner's insurance or commercial building insurance. The interconnection Customer shall provide the Utility with proof that it has a current homeowner's insurance or commercial building insurance policy, or other general liability policy. The interconnection Customer shall name the Utility as an additional insured on its homeowner's insurance or commercial building insurance policy, or similar policy covering general liability and shall cause the insurance company to issue a Certificate of Insurance to the Utility. The interconnection customer shall notify the Utility immediately if such insurance policy is terminated or cancelled prior to the end of its term and if the insurance company has communicated an intent not to renew the policy.

## **ARTICLE VIII**

### **DOCUMENTS AND NOTICES**

- 8.1 **Documents.** This Agreement shall include the following documents, which are attached and incorporated by reference:
- a) One-line drawing;
  - b) Interconnection Request Application Form;
  - c) System Upgrade Estimated Costs; and
  - d) Certificate of Completion.

8.2 **Notice.** The Parties may mutually agree to provide notices, demands, comments, or requests by electronic means such as e-mail. Absent Agreement to electronic communication, or unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

**If to Interconnection Customer:**

Use the contact information provided in the interconnection Customer's application. The interconnection Customer is responsible for notifying the Utility of any change in the contact party information, including change of ownership.

**If to Utility:**

Use the contact information provided below. The Utility is responsible for notifying the interconnection Customer of any change in the contact party information.

Name: Ladd Village Clerk  
121 N. Main Avenue  
P O Box 305  
Ladd, IL 611329  
Phone: 815/894-2440  
Fax: 815/894-2879  
E-mail: info@villageofladd.com

**ARTICLE IX**

**SIGNATURES**

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

(SEE NEXT PAGE)

**For the Interconnection Customer:**

\_\_\_\_\_  
**Signature**

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**For Utility**

\_\_\_\_\_  
**Signature**

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**APPENDIX A**  
**Sample One-line Interconnection Diagram**

