

FACILITIES AND PARALLEL OPERATION AGREEMENT

LCUB Residential Customer AND LCUB

THIS AGREEMENT, made and entered into as of the _____ day of _____, 2019 (the “Effective Date”) between _____ (heirs, executors, administrators and successors), existing under the laws of the state of Tennessee and the Distributor, Lenoir City Utilities Board, an independent board of the City of Lenoir City, Tennessee (“DISTRIBUTOR”).

W I T N E S S E T H:

WHEREAS, _____ will design and construct solar panels to generate power and energy on _____’s property (hereinafter the “Project”) (TVA) which will be owned and operated by _____ or a third party; and

WHEREAS, _____ wishes to use LCUB’s electrical system to make deliveries of power and energy from the Project for _____’s exclusive use and behind DISTRIBUTOR’s meter; and

WHEREAS, _____ wishes to interconnect its Project to LCUB’s electric system at the point of interconnection under the terms and conditions herein; and

WHEREAS, _____ wishes to operate its Project in parallel with LCUB’s electric system;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of where are hereby acknowledged, the parties hereto agree to be legally bound as follows:

1. Designated Representative. In order to facilitate implementation of the terms of this agreement, each party will appoint a Designated Representative to serve as the contact person for that party for the purposes of this Agreement. _____’s initial Designated Representative will be _____ and LCUB’s Designated Representative for day to day operational issues shall be Jeremy Walden. Either party may change its Designated Representative by written notification to the other party. Parties should send notices for legal issues contract modifications or other non-operational issues to the person or persons set forth on the signature page of this Agreement.
2. Term of Agreement.
 - 2.1. This agreement shall become effective upon execution of this document by all parties and shall be for an indefinite period of time unless terminated by the parties, replace another agreement.
 - 2.2. _____ may terminate this agreement at any time that _____ permanently ceases parallel operation of the Project and gives LCUB written notice specifying the date of termination, such notice to be given not less than thirty (30) days’ prior to the date specified.

- 2.3. Termination of this agreement shall not relieve either LCUB or _____ of obligations that by their nature should survive such termination, including final billing, billing adjustment and payments, warranties, and remedies.
- 2.4. Upon the expiration or termination of this agreement, if the Interconnection Facilities are to be disconnected from LCUB's electric system, _____ shall pay to LCUB, promptly upon receipt of a statement, the reasonable cost of retiring LCUB's facilities provided for the interconnection with LCUB's electric system if these facilities are required to be removed in the opinion of LCUB. In such case, the cost shall include all reasonable removal and disposal cost, offset by any salvage received for reusable materials and equipment of these removed LCUB facilities.
3. Operation of Project.
- 3.1. Interconnection Facilities. LCUB will interconnect to _____'s generation facilities at an interconnection point identified by _____ and mutually agreeable to LCUB located at _____, Knoxville, TN 37931. LCUB will provide facilities to interconnect (including connection, switching, distribution, safety, engineering, LCUB communication equipment, LCUB metering and protective equipment) (for the purpose of protection of LCUB's distribution network, Carolyn Freeman will be responsible for protection of their circuits and equipment) and will thereafter maintain and replace such facilities consistent with Good Utility Practice as defined in Section 4 below. _____ will be responsible for all facilities on the generator side of the metering interconnection point to be installed consistent with Good Utility Practices and sufficient to pass inspection as necessary or required by applicable law.
- 3.2. Easement. _____ will make available to LCUB a construction and access easement reasonably necessary for construction, maintenance and operation of the facilities. Simultaneous with the execution of this Agreement, _____ will transfer or cause to be transferred an easement in the form attached as Exhibit 1.
4. "Good Utility Practice" means any of the practices, methods, and acts engaged in or approved by LCUB, or practices, methods, and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to any particular set of optimum practices, methods, or acts to the exclusion of all others, but rather is intended to include a spectrum of acceptable practices, methods, and acts, including those generally accepted in the region.
5. Reimbursement. LCUB will develop cost estimates for reimbursable work and materials associated with the Interconnection Facilities, which will be incorporated in a Sales Order. _____ will pay the amount stated in the Sales Order in advance of any work being performed. After LCUB completes reimbursable Interconnection Facilities work, LCUB shall invoice and _____ will pay for the actual costs associated with the Interconnection Facilities work. Refunds for overpayment by _____ will be made by LCUB as appropriate.
6. Paralleling of Project Facilities. To help assure safety and reliability on LCUB's electric system, _____ shall comply with the provisions of this Agreement, including those set out in Attachment A (Safety and Reliability Requirements), which are incorporated by reference and

made a part of this Agreement. During the term of this Agreement, _____ shall at all times be responsible for any additional costs that were not anticipated as of the effective date of this Agreement, including, but not limited to, costs to ensure the protection and continued safe and reliable operation of LCUB's electric system, which costs are incurred by LCUB and are determined by LCUB to be reasonably necessary for the continued connection of _____ Interconnection Facilities with LCUB's electric system. Also, during the term of this Agreement, _____ shall be responsible for complying with reasonable changes in or additions to the electric system safety and reliability requirements that LCUB may, from time to time, determine to be necessary for the continued connection and parallel operation of the Interconnection Facilities with LCUB's electric system under this Agreement.

7. Access to Property and Equipment. _____ shall provide LCUB access to the property during normal business hours so that LCUB may test and inspect the installation and operation of the Project to ensure that it has been installed and is operating in accordance with this Agreement. LCUB will endeavor to provide forty-eight (48) hours' notice to _____ when a LCUB representative will be on-site for any test or inspection of the installation and operation of the Project in accordance with this section. Each party shall provide the other party with access to its property as necessary for the other party to perform its obligations under this Agreement. In emergencies LCUB shall have unfettered access to property to disconnect facilities at any time for the safety of LCUB personnel and/or the public. Each party's representatives entering upon the other party's property shall at all times comply with the other party's applicable safety and security rules and regulations.
8. Adjustments for Project Power and Energy. _____ delivers the power and energy from the Project to TVA at the point of connection of the Project to LCUB's electrical system. TVA will treat the power and energy delivered to TVA from the Project as part of the power and energy delivered by TVA to LCUB and billing adjustments will be made in accordance with a separate billing adjustment agreement between TVA and LCUB.
9. Compliance with Laws and Regulations. _____ will be responsible for any necessary compliance with federal, state, or local laws, statutes, regulations, ordinances, and permit requirements with respect to Facilities.
10. Modifications. Prior to any modification proposed by _____ during the term of this Agreement to the Interconnection Facilities, including any relay and protection facilities, _____ shall supply to LCUB's Designated Representative for review and written acceptance, proposed diagrams and specifications for such modification. No modification shall be made prior to LCUB's acceptance. LCUB shall make reasonable efforts to provide notice of acceptance or disapproval within sixty (60) days of complete submittal by _____, provided, however, due to the complexity of a proposed modification, LCUB may require additional time to provide acceptance or disapproval; provided, however, in no event will LCUB's approval of such modification be unreasonably withheld. Any notice of disapproval shall contain an explanation of the reason for disapproval and a description of the modification that would render the disapproved diagrams or specifications acceptable. The diagrams and specification shall be consistent with good engineering practice and shall specify the equipment to be used as to manufacturer, model, model type, technical specifications and other pertinent information. Such review and acceptance are provided only insofar as required for safety and efficiency of LCUB's system and employees and shall not constitute a guarantee or warranty of proposed diagrams and specification.

11. System Impact Study. If, in LCUB's sole judgment consistent with Good Utility Practice, a system impact study is required as a result of the proposed modification by _____, LCUB shall so notify _____ in writing, and shall submit its request for such modification to LCUB.
12. Disconnection of Interconnection Facilities or Curtailment of Deliveries. Subject to Good Utility Practice, LCUB may, or may require _____, to temporarily disconnect the Project from LCUB's electric system ("Disconnection") or to interrupt, suspend, or curtail deliveries (the occurrence of the foregoing referred to collectively as "Curtailment") in the following circumstances:
 - 12.1. If, in LCUB's sole judgment, a condition exists that presents an imminent physical threat to persons or property and Disconnection or Curtailment appears necessary to protect such persons or property; or
 - 12.2. To overcome system reliability problems caused by an emergency; or
 - 12.3. If such Disconnection or Curtailment is necessary to construct, install, maintain, replace, remove, investigate, inspect, or test any affected part of LCUB's system; or to facilitate restoration of line or equipment outages; or
 - 12.4. To overcome system reliability problems caused by an outage of LCUB's equipment or facilities; or
 - 12.5. Failure of _____ to operate and maintain the Interconnection Facilities in accordance with the other express provisions of this agreement; or
 - 12.6. Power quality problems, or
 - 12.7. Termination of power contract between LCUB & _____ for the Project site.
13. Default. An "Event of Default" shall exist on the part of either party under this agreement if such party fails to perform a material obligation under this Agreement and such failure continues for a period of thirty (30) days after the aggrieved party shall have provided written notice to the other parties Designated Representative of such failure (the party receiving such notice being referred to herein as the "Noticed Party"). Upon the occurrence and during the continuance of any Event of Default, the aggrieved party shall have all the rights and remedies available for breach of contract under applicable law including, without limitation, the right to terminate this agreement. If the Event of Default is not reasonably capable of being cured within the thirty (30) day period referred to above, then the Event of Default shall be deemed cured if the Noticed Party commences and diligently pursues action to remedy the Event of Default within said thirty (30) day period and thereafter remedies such Event of Default within a reasonable period of time.
14. Entire Agreement; Amendment. This Agreement, together with any exhibit attached hereto, constitutes the entire understanding between the parties with respect to its subject matter and supersedes any and all prior or contemporaneous agreements, promises, negotiations or representations of the parties. Only a written instrument signed by the parties hereto may amend this Agreement.
15. Indemnity. Participant agrees to release, indemnify, and save harmless LCUB, and their respective agents, contractors, and employees from all liability, claims, demands, causes of action, costs, or losses for personal injuries, property damage, or loss of life or property, sustained by Participant,

Participant's agents and family, or third parties arising out of or in any way connected with the installation, testing, operation, maintenance, repair, replacement, removal, defect, or failure of Participant's Qualifying System. The obligations of this Section 15 shall survive termination of this AGREEMENT. Nothing in this AGREEMENT shall serve to limit the participant's obligations under this section 15, Indemnity.

16. Insurance. If Participant's system is located at a residence and connected behind the residential meter or affiliated with a residential meter under TVA's Green Power Providers Program, Participant shall maintain personal liability insurance through insurance carriers that are licensed to do business in the state of Tennessee with limits of liability at that level to sufficiently protect the Participant and those parties indemnified in section 15 of this AGREEMENT.
17. Waivers. The failure of either party to exercise any rights provided for in this Agreement shall not be deemed a waiver of any rights under this Agreement unless such party provides such a waiver in writing. No waiver shall be deemed to be a waiver of the same or any other term or condition at any other time.
18. Assignment or Subcontracting. _____ shall not subcontract or assign this Agreement or any of its rights and obligations hereunder, without the prior written approval of LCUB.
19. Headings. The headings of the Sections of this Agreement are for reference only and shall not be deemed to limit, define or restrict the meaning or substance thereof.
20. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Tennessee without giving effect to its laws, rule or principles governing conflicts of laws.
21. Severability. The invalidity or unenforceability of any provision (or portion thereof) of this Agreement shall not affect the validity or enforceability of any other provision (or remainder of such provision) of this Agreement, all of which shall be broadly construed to give effect to the intent of the invalid or unenforceable provision.
22. Binding Effect; No Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any individual or entity.
23. Counterparts; Delivery. This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which when taken together shall constitute one and the same.

IN WITNESS WHEREOF, the parties have executed this instrument this ____ day of _____, 2019.

LENOIR CITY UTILITIES BOARD

By: _____

Printed Name: _____

Title: _____

Mailing Address: P O BOX 449, Lenoir City, TN 37771
Street Address: 7698 Creekwood Park Blvd
Lenoir City, TN 37771

By: _____

Printed Name: _____

Title: _____

Address:

DRAFT

ATTACHMENT A

SAFETY AND RELIABILITY REQUIREMENTS

These requirements shall be applicable to assure system safety and reliability of interconnected operations. The adequacy of safety and system protection facilities for interconnection with the production facility (identified outside this Attachment A as the Project) as provided herein will be determined by LCUB, but only insofar as necessary to determine the compatibility of such facilities with LCUB's electric system. LCUB will apply such other safety and system protection requirements as may be determined to be appropriate.

1. Fault Protection.
 - a. Adequate protection facilities shall be provided by _____ to protect LCUB's electric system from fault currents originating from the production facility.
 - b. It shall be the responsibility of _____ to provide adequate protection for its production facility from fault currents originating on LCUB's electric system.
2. Overvoltage and Undervoltage.
 - a. It shall be the responsibility of _____ to provide adequate protection or safeguards to prevent damage to LCUB's electric system caused by overvoltage originating from the operation of the production facility.
 - b. It shall be the responsibility of _____ to provide adequate protection of its production facility from overvoltages originating on LCUB's electric system.
 - c. It shall be the responsibility of _____ to provide facilities adequate to prevent the production facility from being damaged by undervoltage conditions on LCUB's electric system.
3. Synchronization and Isolation.
 - a. _____ shall provide adequate facilities for the proper synchronization of its production facility with LCUB's electric system such that synchronism is accomplished, either manually or by automatic means, without causing undesirable currents or voltages (including current surges and voltage fluctuations) on LCUB's electric system. Under normal operating conditions _____ will provide a three to five minute delay between the time individual units are placed in service or removed from service.
 - b. _____ shall provide means for properly disconnecting the production facility from LCUB's electric system for system line interruptions, for occasions when LCUB's electric system becomes isolated from its source of electrical power, and for the proper resynchronization of the production facility after such interruptions or isolation.
 - c. To provide assurance that LCUB's electric system cannot be energized from the production facility during outages or caution periods on LCUB's electric system, _____ must provide equipment for manually disconnecting and isolating the production facility. This will help provide safety for LCUB's electric system's employees performing emergency repairs or routine maintenance to its lines.

Such equipment must be capable of preventing the production facility from energizing LCUB's electric system's lines and must include a device (or devices) which can be locked open or tagged so as to visually show isolation of the production facility to prevent all means of backfeed into LCUB's electric system.

4. Grounding.

The facilities (generator, connecting transformer, etc.) that connect to LCUB's electric system must be grounded in such a way that coordination is maintained with the relay protection system in use by LCUB's electric system, and the connected facilities will be protected from deleterious voltages during fault conditions.

5. Harmonics.

a. Adequate design precautions must be taken by _____ to prevent excessive and deleterious harmonic voltages or currents caused by the production facility from occurring on LCUB's electric system.

b. The production facility must be designed to operate with normal harmonic voltages and currents that originate from LCUB's electric system.

6. Frequency Regulation

_____ 's Solar Farm shall maintain the generator output frequency at 60 hertz plus or minus 5 hertz.

7. Voltage Regulation.

_____ shall provide necessary voltage regulation equipment to prevent the production facility from causing excessive voltage variation on LCUB's electric system. The voltage variation caused by the production facility must be within ranges capable of being handled by the voltage regulation facilities used by LCUB's electric system.

8. Voltage Flicker.

The voltage surges caused by the operation, synchronization, or isolation of the production facility shall be within the standards of frequency of occurrence and magnitude established by LCUB's electric system to prevent undue voltage flicker on LCUB's electric system.

9. Voltage Balance.

a. The voltage produced by the production facility must be balanced. The waveform must be sinusoidal and compatible with the operation of LCUB's electric system.

b. _____ will be responsible for protecting its production facility from inadvertent phase unbalance or single phasing in LCUB's electric system's voltage.

10. Operational Oversight.

a. _____ will be responsible for operating its production facility in a manner that will not cause undesirable or harmful effects to LCUB's electric system or its other customers.

- b. No LCUB approval of _____'s operation of the production facility shall be construed as confirming or endorsing the design or any warranty of safety, durability, or reliability of _____'s production facility equipment.
- c. _____ shall supply LCUB with diagrams and specification describing the production facility and related interconnection, operation, and protective equipment and any proposed changes to the aforesaid facilities. These diagrams and specifications shall be consistent with good engineering practice and shall specify the equipment to be used (relays, breakers, transformers, generators, etc.) by manufacturer, model, type, size, impedance, and other pertinent information.

The control and protective equipment used by _____'s Solar Farm shall be utility class and shall conform to the latest revision of ANSI/IEEE C37.90, IEEE Standard Relays and Relay Systems Associated with Electric Power Apparatus.
- d. LCUB shall, at its cost, have the right at any time to inspect and test the operation of any control and protective equipment owned and maintained by _____.
- e. If, subsequent to initial operation, the production facility is unable to comply with the provisions for safety, system protection, and production facility operation contained in this Attachment A, or is otherwise operated in an unsafe manner, the production facility may be disconnected from LCUB's electric system until the problem has been corrected.

11. Direct Current Injection.

Adequate design precautions must be taken by _____ to prevent injecting direct current into LCUB's electric system. Where direct current injection is a possibility, methods such as isolation transformers, monitoring devices, or other decoupling devices should be utilized by _____ to prevent direct current injection.