



Spring City Power

INTERCONNECTED DISTRIBUTED POWER GENERATION POLICY

Part-4: LICENSE AGREEMENT

Customer-Owned Electric Generating Systems of 5kW or Less

This CUSTOMER-OWNED GENERATION AGREEMENT ("Agreement") is between _____ "Customer" and Spring City Power.

Pursuant to Spring City Code, Customer may not generate electric energy to put onto the Spring City Power-Grid via interconnection without a license and may not obtain a license without entering into the INTERCONNECTED DISTRIBUTED POWER GENERATION POLICY, Part-4: LICENSE AGREEMENT. The purpose of this Agreement is to define Customer's obligations and responsibilities, subject to which Customer may, at the discretion of Spring City Power, interconnect and operate a licensed electric generating system.

1- CUSTOMER ELECTRIC GENERATING SYSTEM

- 1.1 Customer –Owned Electric Generating Systems Application is hereby incorporated into this Agreement as Spring City Interconnected Distributed Power Generation POLICY, Part-4: LICENSE AGREEMENT.
- 1.2 Spring City Power's standard rates for service, as defined in the City Electric Service Schedule, will apply to Customer interconnected to Spring City power.
- 1.3 Customer has elected, in accordance with Spring City INTERCONNECTED DISTRIBUTED POWER GENERATION POLICY, to operate, at its own expense and risk, a customer owned generation system, with a generating capacity of not more than five kilowatts (5 kW)* aggregated at the service interconnection point, in parallel with Spring City Power's electrical system. This generating system is intended to offset either part or all of the Customer's electrical requirements.

* Refer to INTERCONNECTED DISTRIBUTED POWER GENERATION POLICY page 2 "*" for terms and allowances for previously installed systems that are over the 5Kw capacity. Also refer to the INTERCONNECTED DISTRIBUTED POWER GENERATION POLICY, Part-2: EDUCATION and INFORMATION LETTER.

- 1.4 The electrical generating system used by the Customer shall be located on the Customer's premises. It shall include all equipment necessary to meet applicable safety, power quality, and interconnection requirements. The electrical generating system shall comply with Spring City Power Customer-Owned Generation Standards.



- 1.5 The private power generation system may only be interconnected with Spring City in association with Customer's primary power meter. Said Interconnected Distributed Power Generation system must be on property adjacent to, and contiguous with the location of the customer's primary meter.
- 1.6 Spring City reserves the right to refuse service to anyone now or in the future if it is determined to be in the best interest of Spring City's distribution system for safety, proper operation of the system, or for the benefit of its citizens
- 1.7 Spring City Power shall have the sole authority to determine which interconnection requirements set forth herein (including Exhibits and PARTS 1 – 4) are applicable to Customer's proposed installation.
- 1.8 Any costs or expenses incurred by Spring City Power due to modifications made to Spring City Power's existing electric system, as a result of the interconnection of Customer's generating system, shall be paid by the customer. All costs must be paid in full prior to the connection to Spring City Power's electrical system.

2- CUSTOMER ELECTRIC GENERATING SYSTEMS

- 2.1 Fees, charges, and rates described herein are subject to change at any time by action of the Spring City Municipal Council. Such changes include, but are not limited to, increasing, reducing, or eliminating established fees, charges, or rates; modifying or removing existing rate classes; adding new rate classes; and adding new fees, charges, or rates, whether such fees, charges, or rates are applicable to all Spring City Power customers or only to customers in a defined group or class that includes Customer. Changes to fees, charges, and rates may reduce or eliminate any return on investment (ROI) anticipated by the Customer when installing an electrical generating system.
- 2.2 Spring City Power shall determine the net electricity produced or consumed by the Customer and the amounts to be billed to Customer during each billing period in accordance with the Spring City Power rates and metering practices, **which may be amended from time to time.**
- 2.3 If the electricity supplied by Spring City Power exceeds the electricity generated by the customer, then Customer shall be billed for the net electricity supplied by Spring City Power at the rate paid by other customers of Spring City Power in the same rate class as Customer.
- 2.4 During any month's billing period when the electricity generated by the customer exceeds consumption and is distributed back to Spring City Power during the billing period, the Customer shall be credited for the net excess kilowatt-hours generated during the billing period at the OFF-System sales rate set by the Spring City Council from time to time. The current rate will be listed on the Spring City Fee Schedule.



- 2.5 Customer shall also be charged any applicable fees or charges, including, but not limited to, those customer fees and charges paid by other Spring City Power customers in the Customer's rate class. Credits described in paragraph 2.4 shall not offset fees and charges, but shall only be used to offset rate charges for electric energy supplied to Customer by Spring City Power.
- 2.6 No third party can be a beneficiary of a customer-owned generation systems (Power Purchase Agreement (PPA), Landlord selling power to tenant, renting of a customer's rooftop for solar energy production, etc.).

3- INTERRUPTION OR REDUCTION OF DELIVERIES

3.1 Spring City Power may require Customer to interrupt or reduce deliveries as follows:

- (a) when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or part of its system; or
- (b) if Spring City Power determines in its sole judgment that curtailment, interruption, or reduction is necessary because of emergencies or compliance with good electrical practices, as determined by Spring City Power.

3.2 To the extent reasonably practicable, Spring City Power shall give Customer notice of possible interruption or reduction of deliveries.

Notwithstanding any other provision of this Agreement, if at any time Spring City Power determines in its sole judgment that either:

- (a) the electric generation system may endanger Spring City Power personnel, or
- (b) the continued operation of customer's electric generation system may endanger the integrity of the Spring City Power electric system, or
- (c) the electric generation system has been changed or modified without written approval from the original approved Customer-Owned Electric Generating Systems Application,
- (d) Spring City Power shall have the right to disconnect Customer's electric generation system from the Spring City Power electric system. Customer's electric generation system shall remain disconnected until such time as Spring City Power is satisfied that the condition(s) leading to disconnection have been fully corrected.

4- INTERCONNECTION

4.1 Customer shall comply with Spring City Power's Interconnected Distributed Power Generation Policy, Part-3 STANDARDS, and shall pay for designing, installing, inspecting, operating, and maintaining Customer's electric generating system in accordance with all applicable laws and regulations.



- 4.2 Customer shall deliver all excess energy produced at the Customer's premises to Spring City Power, and none other. Spring City Power will install at the customer's expense and maintain a revenue meter capable of registering the bi-directional flow of electricity at the Customer's premises with a level of accuracy that meets all applicable standards, regulations, and statutes. The system shall also have a production meter as described in Interconnected Distributed Power Generation Part-3 STANDARDS, B-9.
- 4.3 Customer shall pay for any non-standard meter electrical hook-up requested by the Customer.
- 4.4 Customer shall not commence parallel operation of the generating system until inspection and written approval of the interconnection has been given by Spring City Power. Such approval shall not be unreasonably withheld. Spring City Power shall have the right to have representatives present at the initial testing of Customers' protective apparatus, and the Customer shall notify Spring City Power of its intent to test Customer's electric generating system not less than three (3) working days prior to any scheduled test.
- 4.5 Once in operation, Customer shall make no changes or modifications in the equipment, wiring, or the mode of operation of the electric generating system without the prior written approval of Spring City Power.

5- MAINTENANCE AND PERMITS

Customer shall:

- 5.1 obtain an electrical permit and pass electrical inspection before Customer's electric generating system can be connected or operated in parallel with Spring City Power's electric system.
- 5.2 provide to Spring City Power written certification (Certificate of Completion) that Customer's electric generating system has been installed and inspected in compliance with the local building and/or electrical codes.
- 5.3 maintain Customer's electric generating system and interconnection facilities in a safe and prudent manner and in conformance with all applicable laws and regulations including, but not limited to, Spring City Power's Interconnected Distributed Power Generation Standards.
- 5.4 obtain any governmental authorizations and permits required for the construction and operation of Customer's electric generating system and interconnection facilities, including electrical permit.
- 5.5 reimburse Spring City Power for any and all losses, damages, claims, penalties, or liability it incurs as a result of Customer's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of Customer's electric generating system or failure to maintain Customer's electric generation system as required in this Section.

6- ENTRY ONTO PROPERTY

Spring City Power may enter Customer's premises or property:

- A. at any time without notice to read meters;



- B. to inspect, with prior notice at all reasonable hours, Customer's protective devices;
- C. to disconnect the interconnection facilities at the Spring City Power meter or transformer, without notice, if, in Spring City Power's opinion, an unsafe or hazardous condition exists and such immediate action is necessary to protect persons, Spring City Power facilities, or property of others from damage or interference caused by Customer's electric generating facilities, or lack of properly operating protective devices or inability to inspect the same.
- D. Spring City personnel shall not be locked out of disconnects or meters. Any locked gates shall have a second lock with a key maintained by Spring City. If the customer fails to maintain locks in such a manner as to restrict Spring City personnel access, and it becomes necessary to cut locks or damage gates or fences to gain access, Spring City shall be held harmless for any expense for repairs or replacement.

7- FEES and CHARGES

- 7.1 The following FEES and CHARGES apply specifically to any customer who is now interconnected or intends to be interconnected with Spring City Power while at any time generating electric power:
- 7.2 a non-refundable Application Fee to be paid at the time the INTERCONNECTED DISTRIBUTED POWER GENERATION, Part-2: LICENSE APPLICATION is submitted to Spring City. This Application Fee is set from time to time by the City Council with the current rate is listed on Spring City Fee and Rate Schedule.
- 7.3 based on the nameplate maximum output rating of the component subsystem that produces the electrical energy (solar module/array, AC generator, DC generator, fuel cell, etc.) a monthly per kW System Capacity Surcharge shall apply to all current and future private power generation System.
- 7.4 this monthly per kW System Capacity Surcharge is set from time to time by the City Council with the current rate listed on Spring City Fee and Rate Schedule, and is prorated to the fractional kW output rating as taken from the nameplate of the power generating System.

8- NON-TRANSFERABLE

- 8.1 In the event that the current homeowner/ power producer who completed the Part- 2 APPLICATION and executed Part-4 LICENSE AGREEMENT sells the home or otherwise transfers the operations and maintenance of the power generating equipment which is interconnected to the Spring City Power System:



- 8.2 The associated operating LICENSE AGREEMENT with Spring City Power does not transfer with the equipment to the new party.
- 8.3 It is the responsibility of the original licensee to inform the new owner/operator that they will need to execute a new Part-4 LICENSE AGREEMENT within two (2) business days of taking over operation and maintenance of the related power generating equipment in order to stay interconnected to the Spring City Power System.
- 8.4 If the new operating LICENSE AGREEMENT with Spring City Power is not executed in this timely manner, the related power system will be disconnected and locked out from interconnection until the new agreement is in place.

9- INDEMNITY AND LIABILITY

- 9.1 The Customer assumes the risk of all damages, loss, cost, and expense and agrees to indemnify the City of Spring City, its successors and assigns, and its respective directors, officers, employees and agents, from and against any and all claims, losses, costs, liabilities, damages and expenses including, but not limited to, reasonable attorney fees, resulting from or in connection with performance of the agreement or which may occur or be sustained by Spring City Power on account of any claim or action brought against the City for any reason, including, but not limited to, loss to the electrical system of the Customer caused by or arising out of an electrical disturbance.
- 9.2 Such indemnity, protection, and hold harmless includes any demand, claim, suit or judgment for damages, death or bodily injury to all persons, including officers, employees or agents, and subcontractors of either Party hereto, including payment made under or in connection with any Worker's Compensation Law or under any plan for employees' disability and death benefits or property loss that may be caused or contributed to by the interconnection, maintenance, operation, use, presence, or removal of Customer's equipment. The only exceptions are liability occasioned by the sole negligence or willful misconduct of Spring City Power or its employees acting within the scope of their employment and liability occasioned by a partial negligence of Spring City Power or its employees acting within the scope of their employment to the extent that such partial liability is fixed by a court of competent jurisdiction.
- 9.3 The provisions of this Section 9 shall not be construed to relieve an insurer of its obligations to pay any insurance claims in accordance with the provisions of an insurance policy.



9.4 Spring City Power and the City of Spring City shall have no liability, ownership interest, control or responsibility for the Customer's electric generating facility or its interconnection with Spring City Power's electric system, regardless of what Spring City Power knows or should know about the Customer's electric generating facility or its interconnection.

9.5 Customer recognizes that it is waiving immunity under Utah Industrial Insurance law, Title 51 RCW, and further agrees that this indemnification clause has been mutually negotiated. This indemnification shall extend to and include attorney's fees and the costs of establishing the right of indemnification hereunder in favor of the City of Spring City.

10- FORCE MAJEURE

10.1 Suspension of Obligations. Neither Party shall be liable to the other for, or be considered to be in breach of or default under this Agreement because of, any failure or delay in performance by such Party under this Agreement to the extent such failure or delay is caused by or results from any cause or condition which is beyond such Party's reasonable control, or which such Party is unable to prevent or overcome by exercise of reasonable diligence (any such cause or condition, a "Force Majeure"), including breach of contract or failure of performance by any person providing services to the City of Spring City.

10.2 Notice; Required Efforts to Resume Performance. Any Party claiming Force Majeure shall give the other Party maximum practicable advance notice of any failure or delay resulting from a Force Majeure, and shall use its reasonable best efforts to overcome the Force Majeure and to resume performance as soon as possible; provided, however, that nothing in this Agreement shall be construed to require either Party to settle any labor dispute in which it may be involved.

10.3 No Excuse of Payment Obligations. Notwithstanding any other provision of this Agreement, in no event shall a Force Majeure excuse a Party's failure or delay to pay any amounts due and owing to the other Party under or pursuant to this Agreement.

11- RELATIONSHIP OF THE PARTIES

The Parties hereto are independent contractors and shall not be deemed to be partners, employees, franchisees or franchisers, servants, or agents of each other for any purpose whatsoever under or in connection with this Agreement.



12- ASSIGNMENT; BINDING AGREEMENT

The Customer shall not assign its rights under this Agreement to any other Party without the express written consent of Spring City Power. Spring City Power may impose reasonable conditions on any such assignment to ensure that all of Customer's obligations under this Agreement are met and that none of Customer's obligations are transferred to Spring City Power as a result of default, bankruptcy, or any other cause.

13- NO THIRD PARTY BENEFICIARIES

Except as expressly set forth in this Agreement, none of the provisions of this Agreement shall inure to the benefit of, or be enforceable by, any third Party.

14- ENTIRE AGREEMENT

This Agreement with the Exhibits and PARTS attached hereto set forth the entire agreement of the Parties and supersede any and all prior agreements with respect to the subject matter of this Agreement. The rights and obligations of the Parties hereunder shall be subject to and governed by this Agreement.

15- GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of the State of Utah (regardless of the laws that might otherwise govern under applicable principals of conflicts of law of such state). Venue for any action arising under or in connection with this Agreement shall be in the Sixth District Court for Utah Sanpete, Utah.

16- RULES OF CONSTRUCTION; STATUTORY REFERENCES

No provision of this Agreement shall be construed in favor of or against either of the Parties hereto by reason of the extent to which any such Party or its counsel participated in the drafting thereof or by reason of the extent to which such provision or any other provision or provisions of this Agreement is or are inconsistent with any prior draft thereof. Any reference to statutes or laws will include all amendments, modifications, or replacements of the specific sections and provisions concerned.



17- AMENDMENT, MODIFICATIONS OR WAIVER

Any amendments or modifications to this Agreement shall be in writing and agreed to by both Parties. The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any Party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, shall be deemed to be construed as a further or continuing waiver of any such breach or waiver of the breach of any other term or covenant unless such waiver is in writing.

18- NOTICES AND OTHER COMMUNICATIONS

Notice Methods and Addresses. All notices, requests, demands and other communications required or permitted to be given under this Agreement shall be given in writing. All notices to either Party shall be made to the addresses set forth below. Any notice shall be deemed to have been given on the date delivered, if delivered personally, by overnight air courier service, or by facsimile transmission; or, if mailed, shall be deemed to have been given on the date shown on the return receipt as the date of delivery. Customer shall be under an ongoing obligation to provide notice of any change to the Customer's notice address. If Customer fails to do so, any notice sent by Spring City Power shall be deemed to have been given on the date on which the United States postal service certifies that it was unable to deliver.

Department Director	Spring City Attorney	Customer _____
Spring City Power	PO Box 189	Name _____
PO Box 189	Spring City, UT 84662	Address _____
Spring City, UT 84662		TEL _____
FAX 435-462-2654		FAX _____

19- EXHIBITS

The LICENSE AGREEMENT includes the following attachments and incorporated by reference:

- (1) INTERCONNECTED DISTRIBUTED POWER GENERATION POLICY
- (2) Part-1: INFORMATION and EDUCATION LETTER
- (3) Part-2: LICENSE APPLICATION
- (4) Part-3: STANDARDS
- (5) Part-4: LICENSE AGREEMENT



20- TERM OF AGREEMENT

This Agreement shall be and remain in effect until terminated by either Party on thirty (30) days' prior written notice. The Customer's electric generating system may be disconnected from Spring City Power's electrical system at any time if, in Spring City Power's sole judgment, the Customer's electric generating system is considered unsafe or having adverse impact on the existing customers or any term of this agreement has been breached.

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

Customer

Signature _____ DATE _____

Name _____

Spring City Power

Signature _____ DATE _____

Name _____