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Rule No. 19

# LEVEL 2 AND LEVEL 4 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

# Applicability:

For Small Generator Facilities with an Aggregate Nameplate Capacity of up to 10 megawatts approved for Interconnection under Level 2 Expedited Review and Level 4 Study Review.

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Needed to Support the Interconnection Customer's Needs

# Level 2 and Level 4 Small Generator Interconnection Agreement

This Small Generator Interconnection Agreement ("A	agreement") is made and entered into this day
of 20_, by NorthWestern Corpor	ration, a Delaware corporation d/b/a NorthWestern
Energy ("NorthWestern") with offices at 11 E. Pa	ark. Butte. Montana. 59701-9394 and [ 1 7
("Interconnection Customer") with an address of	each of which may be referred to as a "Party" or
collectively as the "Parties" herein,	of the state of th

#### NorthWestern's Information

NorthWestern Corporation
Attention: Interconnection Coordinator
11 E. Park Street
Butte, MT 59701
Phone; Fax:

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Interc	onnection Customer	Information			•
	Interconnection Cu	stomer:			
	Attention:			•	
	Address:				
	City;	State:	ZIP:		
	Phone:	State: Fax:			
Intere	onnection Customer	Application No.:			
In cor	nsideration of the mut	ual covenants set forth he	rein, the Partie	s agree as follo	ows:
Artic	le 1. Scope and	Limitations of Agreeme	ent		
1,1	Applicability			·	
	This Agreement shinterconnect to No Commission.	all be used for all Level 2 rthWestern's System and	and Level 4 In under the juris	terconnection ediction of the	Customers requesting to Montana Public Service
1.2	Purpose				
	This Agreement g Small Generator I System.	overns the terms and consacility will interconnect	nditions under with, and ope	which the Interacte in parall	erconnection Customer's el with, NorthWestern's
1.3	No Agreement to	Purchase or Deliver Powe	r		
	Customer's power	loes not constitute an ag . The purchase or deliver uire will be covered unde	y of power and	other services	s that the Interconnection
1.4	Limitations	•			
	Nothing in this Ag	greement is intended to a notice of the control of	ffect any other	agreement be	tween NorthWestern and
			·		

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# 1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 Interconnection Customer shall construct, operate, and maintain the Small Generator Facility, at Interconnection Customer's sole cost and expense, in accordance with Interconnection Customer's request and the current version of Institute of Electrical and Electronics Engineers (IEEE) 1547, the current version of Underwriters Laboratories (UL) 1741, the regulations of the Montana Public Service Commission (MPSC), NorthWestern's approved tariffs, all other applicable local, state, and federal codes and laws. Interconnection Customer shall remain responsible for the Small Generator Facility through the point of Interconnection the point where Small Generator Facility connects with the Electric Distribution System (EDS).
- 1.5.3 NorthWestern shall construct, operate, and maintain NorthWestern's System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the current version of the National Electrical Safety Code (NESC), the American National Standards Institute (ANSI), IEEE, UL, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generator Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of NorthWestern.
- 1.5.5 Each Party shall operate, maintain, repair, inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair, and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. NorthWestern and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect NorthWestern's System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance, and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

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1.5.6 NorthWestern shall coordinate with all Affected Systems to support the interconnection.

#### 1.6 Parallel Operation Obligations

Once the Small Generator Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all applicable rules and procedures pertaining to the parallel operation of the Small Generator Facility in the applicable control area, including, but not limited to: 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for NorthWestern's System; and 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

#### 1.7 Metering

The Interconnection Customer shall be responsible for NorthWestern's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachment 2 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

#### Article 2 Inspection, Testing, Authorization, and Right of Access

- 2.1 **Equipment Testing and Inspection** 
  - 2.1.1 Any required state or local inspections must be completed on the Small Generator Facility.
  - The Interconnection Customer shall test and inspect its Small Generator Facility and 2.1.2 Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify NorthWestern of such activities no fewer than 5 Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. NorthWestern may, at its own expense, send qualified personnel to the Small Generator Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide NorthWestern a written test report when such testing and inspection is completed.
  - 2.1.3 NorthWestern shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. acknowledgment shall not be deemed to be or construed as any representation, assurances

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guarantee, or warranty by NorthWestern of the safety, durability, suitability, or reliability of the Small Generator Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generator Facility.

# 2.2 Authorization Required Prior to Parallel Operation

- 2.2.1 NorthWestern shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, NorthWestern shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. NorthWestern shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date,
- 2.2.2 The Interconnection Customer shall not operate its Small Generator Facility in parallel with NorthWestern's System without prior written authorization of NorthWestern. NorthWestern will provide such authorization once NorthWestern receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

# 2.3 Right of Access

- 2.3.1 Upon reasonable notice, NorthWestern may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generator Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generator Facility (including any required testing), startup, and operation for a period of up to 3 Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify NorthWestern at least 5 Business Days prior to conducting any on-site verification testing of the Small Generator Facility.
- 2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, NorthWestern shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its Interconnection Customers.

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Each Party shall be responsible for its own costs associated with following this article. 2.3.3

#### Article 3 Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties.

3,2 Term of Agreement

> This Agreement shall become effective on the Effective Date and shall remain in effect for a period of 10 years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

> No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

- 3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving NorthWestern 20 Business Days written notice.
- 3.3.2 Either Party may terminate this Agreement after Default pursuant to article 6.6.
- Upon termination of this Agreement, the Small Generator Facility will be disconnected 3.3.3 from NorthWestern's System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Small Generator Facility Interconnection Agreement (SGIA) or such non-terminating Party otherwise is responsible for these costs under this SGIA.
- The termination of this Agreement shall not relieve either Party of its liabilities and 3.3.4 obligations, owed or continuing at the time of the termination.
- 3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

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#### 3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

#### 3.4.1 **Emergency Conditions**

"Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; (2) that, in the case of NorthWestern, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to NorthWestern's System, NorthWestern's Interconnection Facilities, or Affected Systems to which NorthWestern's System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generator Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions. NorthWestern may immediately suspend interconnection service and temporarily disconnect the Small Generator Facility. NorthWestern shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generator Facility. The Interconnection Customer shall notify NorthWestern promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect NorthWestern's System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations. its anticipated duration, and the necessary corrective action.

#### 3.4.2 Routine Maintenance, Construction, and Repair

NorthWestern may interrupt interconnection service or curtail the output of the Small Generator Facility and temporarily disconnect the Small Generator Facility from NorthWestern's System when necessary for routine maintenance, construction, and repairs on NorthWestern's System. NorthWestern shall use Reasonable Efforts to provide the Interconnection Customer with advanced notice prior to such interruption. NorthWestern shall use Reasonable Efforts to coordinate such curtailment or temporary disconnection with the Interconnection Customer.

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### 3.4.3 Forced Outages

During any forced outage, NorthWestern may suspend interconnection service to effect immediate repairs on NorthWestern's System. NorthWestern shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, NorthWestern shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

# 3.4.4 Adverse Operating Effects

NorthWestern shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generator Facility may cause disruption or deterioration of service to other Interconnection Customers served from the same electric system, or if operating the Small Generator Facility could cause damage to NorthWestern's System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, NorthWestern may disconnect the Small Generator Facility. NorthWestern shall provide the Interconnection Customer with 5 Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

# 3.4.5 Modification of the Small Generator Facility

The Interconnection Customer must receive written authorization from NorthWestern before making any change to the Small Generator Facility that may have a material impact on the safety or reliability of NorthWestern's System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without NorthWestern's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generator Facility.

#### 3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generator Facility, Interconnection Facilities, and NorthWestern's System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

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# Article 4 Cost Responsibility for Interconnection Facilities and Distribution Upgrades

#### 4.1 Interconnection Facilities

- 4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. NorthWestern shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and NorthWestern.
- 4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing NorthWestern's Interconnection Facilities.

# 4.2 Distribution Upgrades

NorthWestern shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 2 of this Agreement. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

# Article 5 Billing, Payment, Milestones, and Financial Security

- 5.1 Billing and Payment Procedures and Final Accounting
  - 5.1.1 NorthWestern shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Distribution Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 20 Business Days of receipt, or as otherwise agreed to by the Parties.
  - 5.1.2 Within 60 Business Days of completing the construction and installation of NorthWestern's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, NorthWestern shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's report of

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responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to NorthWestern for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, NorthWestern shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to NorthWestern within 20 Business Days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, NorthWestern shall refund to the Interconnection Customer an amount equal to the difference within 20 Business Days of the final accounting report.

#### 5.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) request appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless: (1) it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

### 5.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of NorthWestern's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide NorthWestern, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit, or other form of security that is reasonably acceptable to NorthWestern and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of NorthWestern's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to NorthWestern under this Agreement during its term. In addition:

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- 5.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of NorthWestern, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.
- 5.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to NorthWestern and must specify a reasonable expiration date.

# Article 6 Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

### 6.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party, provided that:

- 6.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that either Party promptly notifies the other Party of any such assignment.
- 6.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of NorthWestern, for collateral security purposes to aid in providing financing for the Small Generator Facility, provided that the Interconnection Customer will promptly notify NorthWestern of any such assignment.
- 6.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned, or delayed.

### 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 inperformance of this Agreement, shall be limited to the amount of direct damage actually hearth at Co.

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In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

# 6.3 Indemnity

- 6.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 6.2.
- 6.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 6.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle, or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 6.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.
- 6.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

### 6.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs, or expenses for any special stidirects Co

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incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability – provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

# 6.5 Force Majeure

- 6.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation, or restriction imposed by governmental, military, or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."
- 6.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event ("Affected Party") shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. 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 will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

#### 6.6 Default

6.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 6.6.2, the defaulting Party shall have 45 Business Days from receipt of the Default notice within which to cure such Default – provided, however, if such Default is not capable of our within 45 Business Days, the defaulting Party shall commence such cure within 45 Business Days, the defaulting Party shall commence such cure within 45 Business Days, the defaulting Party shall commence such cure within 45 Business Days, the defaulting Party shall commence such cure within 45 Business Days, the defaulting Party shall commence such cure within 45 Business Days, the defaulting Party shall commence such cure within 45 Business Days, the defaulting Party shall commence such cure within 45 Business Days, the defaulting Party shall commence such cure within 45 Business Days, the defaulting Party shall commence such cure within 45 Business Days, the defaulting Party shall commence such cure within 45 Business Days, the defaulting Party shall commence such cure within 45 Business Days, the defaulting Party shall commence such cure within 45 Business Days, the defaulting Party shall commence such cure within 45 Business Days, the defaulting Party shall commence such cure within 45 Business Days, the defaulting Party shall commence such cure within 45 Business Days are shall commence such cure within 45 Business Days, the defaulting Party shall commence such cure within 45 Business Days are shall commence such cure within 45 Business Days are shall commence such cure within 45 Business Days are shall commence such cure within 45 Business Days are shall commence such cure within 45 Business Days are shall commence such cure within 45 Business Days are shall com

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Business Days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist,

6.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

#### Article 7 Insurance

The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of NorthWestern, except that the Interconnection Customer shall show proof of insurance to NorthWestern no later than 10 Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

NorthWestern agrees to maintain general liability insurance or self-insurance consistent with NorthWestern's commercial practice. Such insurance or self-insurance shall not exclude coverage for NorthWestern's liabilities undertaken pursuant to this Agreement.

The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

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# Article 8 Confidentiality

Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after allowing the non-disclosing Party to exhaust any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

#### Article 9 Taxes

The Parties agree to follow all applicable tax laws and regulations, consistent with Internal Revenue Service requirements.

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect NorthWestern's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

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#### Article 10 Miscellaneous

10.1 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 Montana, 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.

10.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

10.3 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.

- 10.4 Waiver
  - 10.4.1 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.
  - 10.4.2 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, or 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 NorthWestern. Any waiver of this Agreement shall, if requested, be provided in writing.
- 10.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties 111, with reference to the subject matter hereof, and supersedes all prior and contemporaries.

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understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

### 10.6 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.

### 10.7 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.

#### 10.8 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.

#### 10.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. Electric distribution companies, market participants, and Interconnection Customers interconnected to electric systems are expected to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

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#### 10.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generator Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

### 10.11 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.

- 10.11.1 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 NorthWestern 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.
- 10.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

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# LEVEL 2 AND LEVEL 4 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

Article 11	Notices
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#### 11.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") 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 the Interconnection Customer: Interconnection Customer: Attention; Address: City: \_\_\_\_\_ State: ZIP: Phone: Fax: \_\_\_\_ If to NorthWestern: NorthWestern Energy Interconnection Coordinator 11 East Park Street Butte, MT 59701 Phone: Fax: Billing and Payment Billings and payments shall be sent to the addresses set out below: Interconnection Customer: Attention: Address: State: \_\_\_\_ ZIP: \_\_\_\_\_ City;

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NorthWestern Energy
Interconnection Coordinator
11 East Park Street
Butte, MT 59701
Phone: Fax:

### 11.3 Alternative Forms of Notice

If to the Interconnection Customer:

Any notice or required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile, or e-mail to the telephone numbers and email addresses set out below:

	Interconnection Custome	er:	_	
	Attention:			
	E-mail:			
	City:	State:	ZIP:	
	Phone;			
	If to NorthWestern:			
	NorthWestern Energy		•	
	Interconnection Coordin	ator		
	E-mail:			
	11 East Park Street			<del></del>
	Butte, MT 59701			
	Phone:		Fax:	
11.4	Designated Operating Representa	ative		
	The Parties may also designate o may be necessary or convenient serve as the point of contact with	for the adminis	tration of this Agreement.	This person will also

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	Interco	onnection Custome	r's Operat	ing Represe	entative:				
		Interconnection (	~ustomer∙						
		Attention:	oustoinoi,				<del></del>		
		Attention:	:						
		E-mail:			-				
		E-mail:		State:		ZIP:			
		Phone:		Fax:			<del></del>		-
	North	Western's Operatir	ig Represe	entative:					
		NorthWestern E	nergy						
		Interconnection		or					
		11 East Park Str	et					•	
		E-mail:							
		Butte, MT 5970:		<del></del>					
		Phone:	Fax:						
11.5	Chang	ges to the Notice In	formation						
	Either effecti	Party may change ive date of the char	this infor	mation by g	iving 5 B	usiness I	Days writ	tten notice	prior to the
Article	12.	Signatures							
IN WII duly au	TNESS thorize	WHEREOF, the Ford representatives.	arties hav	e caused thi	is Agreen	nent to be	e execute	d by their	respective
For No	rthWes	etern							
Name:			_						
Title:									
Date:									• •
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# LEVEL 2 AND LEVEL 4 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

For the Interconnection Customer				
Name:				
Title:				
Date:				

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# LEVEL 2 AND LEVEL 4 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

# Attachment 1 to Small Generator Facility Interconnection Agreement (SGIA)

### Glossary of Terms

Affected System - An electric system other than NorthWestern's System that may be affected by the proposed interconnection.

Applicable Laws and Regulations - All duly promulgated applicable federal, state, and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits, and other duly authorized actions of any Governmental Authority.

Business Day - Monday through Friday, excluding Federal Holidays.

<u>Default</u> - The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

<u>Distribution Upgrades</u> - The additions, modifications, and upgrades to NorthWestern's System to facilitate interconnection of the Small Generator Facility.

Electric Distribution Company - An electric utility that distributes electricity to end users within Montana and is subject to regulation by the Montana Public Service Commission.

Electric Distribution System (EDS) - (i) means the infrastructure constructed and maintained by an Electric Distribution Company, and (ii) EDS has the same meaning as the term Area EPS (Electric Power System), as defined in the current version of IEEE Standard 1547.

<u>Force Majeure</u> - Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Good Utility Practice - Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods, and acts which, 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 as the CO.

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# LEVEL 2 AND LEVEL 4 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority - Any federal, state, local, or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power – provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.

<u>Interconnection Customer</u> - Any entity, including NorthWestern, that proposes to interconnect its Small Generator Facility with NorthWestern's System.

<u>Interconnection Facilities</u> - NorthWestern's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment, including any modification, additions, or upgrades that are necessary to physically and electrically interconnect the Small Generator Facility to NorthWestern's System.

Interconnection Request - The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generator Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generator Facility that is interconnected with NorthWestern's EDS.

<u>Material Modification</u> - A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Nameplate Capacity - The maximum rated generating output of the Small Generator Facility under specific conditions designated by the original equipment manufacturer and for the purposes of these procedures; the Nameplate Capacity of the Facility is the sum of the Alternating Current (AC) output ratings of the inverters or generating units to which the Small Generator Facility is connected.

Non-Exporting Generator - Any Small Generator Facility that does not export power back onto the EDS and is designed to have all electric energy generated by Small Generator Facility consumed by that Interconnection Customer.

NorthWestern - The electric utility that distributes electricity to end users within Montana and is subject to regulation by the Montana Public Service Commission.

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NorthWestern's System - NorthWestern's distribution facilities and equipment used to transmit electricity to ultimate usage points such as homes and commercial areas.

Operating Requirements - Any operating and technical requirements that may be applicable due to NorthWestern's requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties - NorthWestern and Interconnection Customer.

Point of Interconnection (POI) - The point where the Interconnection Facilities connect with the EDS.

<u>Reasonable Efforts</u> - With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generator Facility - An energy resource(s) for the production and/or storage of electricity that has an aggregate Nameplate Capacity that is less than or equal to 10 MW and is designed to operate in parallel with the EDS.

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# LEVEL 2 AND LEVEL 4 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

#### Attachment 2 to SGIA

NorthWestern's Description and Costs of the Small Generator Facility, Necessary Upgrades and Best Estimate of Upgrade Costs, including Costs of the Interconnection Facilities, and Metering Equipment

(Intentionally Blank - Project Specific)

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# LEVEL 2 AND LEVEL 4 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

### Attachment 3 to SGIA

One-line Diagram Depicting the Small Generator Facility, Interconnection Facilities, Metering Equipment, and Upgrades

(Intentionally Blank - Project Specific)

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# LEVEL 2 AND LEVEL 4 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

### Attachment 4 to SGIA

#### Milestones

In-Service Date:		
Critical milestones	and responsibility as agreed to by	v the Parties:

	Milestone/Date	Responsible Party
1	Interconnection Customer will provide security to NorthWestern in accordance with Article 6.3 by:	Interconnection Customer
2	NorthWestern will have received from Interconnection Customer a fully executed and acknowledged warranty deed conveying free and clear title to NorthWestern's substation site, together with legal and practical access to the same, and will have received written authorization from the Interconnection Customer to proceed with design and procurement by:	
3		Interconnection Customer
3	NorthWestern will receive written authorization from the Interconnection Customer to proceed with construction by:	
4		Interconnection Customer
	NorthWestern's Distribution Upgrades In-Service Date:	NorthWestern
5	Interconnection Customer's Interconnection Facilities In- Service Date:	Interconnection Customer
6	Backfeed Power Date:	NorthWestern and Interconnection
7	Description Differ.	Customer
	Facilities Inspection Date:	NorthWestern and Interconnection Customer
8	Commercial Operation Date:	NorthWestern and Interconnection Customer

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# LEVEL 2 AND LEVEL 4 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

#### Attachment 5 to SGIA

Additional Operating Requirements for NorthWestern's System and Affected Systems Needed to Support the Interconnection Customer's Needs

#### 1.0 Purpose

The purpose of this guide is to outline the technical requirements for connecting a Small Generator Facility to NorthWestern's EDS. This guide covers Small Generator Facilities that operate in parallel with the utility system and NOT as a standalone island or microgrid. This guide is intended to be consistent with the requirements of the current versions of IEEE Standards, NorthWestern Electric Service Requirements and Guidelines, as well as Federal, State, and Local regulations, and accepted industry practices and standards.

#### 2.0 **Definitions**

- Anti-Islanding: Detection circuitry required by IEEE Standards for Small Generator Facilities that senses when a power outage has occurred on the EDS and shuts itself off so there is no possibility of back feeding into the EDS.
- Direct Transfer Trip (DTT): The immediate separation of all sources of generation at a Small Generator Facility location initiated upon the operation of an automatic upstream protection device (substation breaker or line recloser) by means of a dedicated communication channel between the upstream device and the Small Generator Facility.
- Generator Step Up Transformer (GSU): The interconnection transformer at the Small Generator Facility site used to step up the generation voltage to the utility EDS voltage.
- Voltage Flicker: A variation of input voltage sufficient in duration to allow visual observation of a change in electric light source intensity. Flicker increases with the magnitude of fluctuation and/or the frequency of fluctuation.

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### LEVEL 2 AND LEVEL 4 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

#### 3.0 **Technical Requirements**

#### 3.1 Safety Considerations

- 1. The connection of the Small Generator Facility to the BDS must not compromise the safety of other NorthWestern Interconnection Customers, company personnel, or the Interconnection Customer. The Interconnection Customer is responsible for providing adequate protection to NorthWestern facilities for conditions arising from the operation of generation under all EDS operating conditions.
- 2. The minimum protection requirements are designed and intended to protect the EDS only. The Interconnection Customer shall provide at their sole expense, all devices necessary to protect the Small Generator Facility from conditions that may occur on the EDS resulting in interruptions and restorations of electrical service. The installed equipment should protect the Small Generator Facility from over voltage, under voltage, overload, short circuits including ground fault conditions. open circuits, phase unbalance and reversal, over and under frequency conditions, and other injurious electrical conditions that may arise during the operation of the EDS.

#### 3.2 **EDS Power Quality**

#### 1. Steady State Voltage

a. The Interconnection Customer-owned equipment will not cause NorthWestern system voltage to go outside of the limits set by ANSI and IEEE Standards. If high or low voltage complaints result from the operation of the Interconnection Customer's Small Generator Facility, the Small Generator Facility shall be disconnected until the problem is resolved.

#### 2. Voltage Flicker

- a. Voltage flicker shall not exceed a 3.0% voltage change, measured at the point of interconnection. Voltage flicker above this limit may result in a forced disconnect of the Small Generator Facility until the problem is resolved.
- b. A critical time for rapid voltage rise occurs when reconnecting the Small Generator Facility to the EDS. This voltage swing could occur rapidly and may violate the guidelines for distribution voltage flicker. If so, then the Interconnection Customer will be required to stagger and appropriately ramp the inverters as necessary to maintain voltage flicker under 3.0%.

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#### 3. Harmonics

a. The Interconnection Customer's Small Generator Facility shall not cause voltage, current, or total harmonic distortion in excess of the IEEE Standards limit when measured at the point of interconnection with the EDS.

### 4. Temporary and Transient Overvoltage

- a. Ground Fault Overvoltage (GFO) GFO occurs when an ungrounded voltage source feeds an ungrounded feeder containing a single-phase to ground fault. This results in phase-to-ground overvoltage on the unfaulted phases. NorthWestern primarily operates the EDS with a four wire effectively grounded system. The effectively grounded system together with an appropriate wye-grounded utility side transformer mitigates GFO damages on the EDS. Additional considerations will be necessary for those instances where a four wire effectively grounded system is not available on the EDS. The generator must not be a source of objectionable overvoltage.
- b. Load Rejection Overvoltage (LRO) LRO can occur when a distribution feeder containing a large amount of generation with a smaller amount of load becomes disconnected from the grid. The result is a high generation to load ratio that can create an overvoltage until the inverters detect the overvoltage condition and disconnect from the EDS. A transient overvoltage can occur when the current output from the Small Generator Facility is temporarily fed into the EDS. Many distribution feeders on the NorthWestern system have low minimum daytime loading. These low loading conditions may be significantly less than the generation level. It is the Company's expectation that the Interconnection Customer will design and operate their system so as not to create or contribute to damaging overvoltage to loads and equipment on the EDS.

#### 5. Anti-Islanding

- a. Localized areas of utility load including the Small Generator Facility can become separated from the EDS. This is normally a very undesirable condition, as left unchecked, the Small Generator Facility could serve the EDS without utility control of voltage or frequency. This could leave a portion of the EDS energized by the Small Generator Facility when utility workers expect the EDS to be dead. When utility load exceeds the capacity of the Small Generator Facility, the Interconnection Customer's certified inverter should trip on under voltage, over current, or under frequency according to IEEE Standards and separate from the EDS. Where load and generation are closely matched, other "anti-islanding" provisions may be required.
- b. NorthWestern requires certified inverters for utility scale Small Generator Facility projects 1117. The certification must show compliance with anti-islanding capabilities for use on the HDSE Compliance.

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The potential for islanding may increase with the addition of utility scale inverter based generators or any synchronous generation. NorthWestern may require DTT as discussed below in section 3.3.5.

#### 6. Power Factor

a. The Interconnection Customer shall correct any power factor deviations that may occur as a result of operating the Small Generator Facility. The power factor shall be corrected to a level equivalent to the power factor of the Customer load being served without the Small Generator Facility operating at the interconnection metering point.

### 7. Continuous Compliant Operation

a. The Interconnection Customer will be required to demonstrate compliance to IEEE Standards during commissioning or periodic testing of the Small Generator Facility. Failure to comply with the performance requirements of IEEE Standards at any time will constitute grounds to prohibit the Small Generator Facility from initial interconnection or from continuing to operate on the EDS.

# 3.3 Distribution System Equipment

- 1. Substation Equipment (where applicable)
  - a. Substation equipment will be reviewed for compatibility with the Small Generator Facility. Reverse power flow through the substation may be considered.
  - b. Reverse power flow will require upgrades to older regulator controllers or Load Tap Changer controls. Communication and control wires will be included in the upgrades.
  - c. Feeder breakers and electronic reclosers with older relays may require an upgraded relay compatible with current relaying and communication standards.
  - d. Feeders that are utilizing a hydraulic recloser for a feeder breaker may be upgraded to an electronic recloser for the feeder breaker.
- 2. Substation Relay & Protection (where applicable)
  - a. A need for DTT may require relay and communication hardware upgrades.

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# 3. Distribution Circuits (where applicable)

- a. The distribution circuit conductors from the substation to the Small Generator Facility must be of sufficient size to accommodate both the maximum expected loading, and to prevent excessive steady state voltage drop and voltage rise.
- b. Existing line reclosers, regulators, and capacitor banks will be evaluated for compatibility with the Small Generator Facility project. Line regulators may require a controller upgrade for reverse power flow conditions. Capacitor banks may require a relocation. Fixed capacitor banks may need a conversion to a switched bank, allowing for coordination with the generator. Line reclosers and other protective devices may require relocation to preserve circuit coordination.

# 4. Communications (where applicable)

a. Full-time NorthWestern-owned Supervisory Control and Data Acquisition communications may be required to monitor Small Generator Facility installations.

### 5., Transfer Trip Schemes (where applicable)

- a. A Transfer Trip scheme will normally be comprised of a relay located at the EDS substation feeder breaker which communicates via radio or fiber optic cable with the electronic recloser at the Interconnection Customer POI. Whenever the EDS substation breaker opens, a trip signal is sent to a NorthWestern-owned electronic recloser at the Small Generator Facility site to automatically trip the generation off line.
- b. The Interconnection Customer's Small Generator Facility will not be permitted to energize a de-energized Company circuit; therefore, anti-islanding protection is required for parallel generation on the Company's EDS. If the Company determines that an active anti-islanding protection scheme is required to mitigate the risk of a formation of an island in addition to the generator facility's own anti-islanding control scheme, then use of DTT is a definitive protection means for anti-islanding protection. The Company reserves the right, even at a later date, to require a DTT installation at the Customer's expense for any project if operational experience or additional Small Generator Facility projects result in the need for enhanced anti-islanding protection on the EDS.
- c. NorthWestern will evaluate the interconnection request for the potential to create an unintentional island. Certified inverters will be required for all utility scale Small Generator Facility projects. Generally, the first project to connect to a distribution feeder will have adequate anti-islanding capabilities available with the certified generators. Multiple generation projects attaching to a distribution circuit will increase the probability of failed anti-islanding detection and may necessitate the need for a transfer trip scheme for these

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additional generation projects unless a detailed dynamic anti-islanding study concludes that the additional project does not increase the risk of islanding.

- 3,4 Interconnection Customer Interconnection Equipment
  - 1. Generator Step Up Transformer (GSU) (where applicable)
    - a. The Interconnection Customer-supplied GSU is an important link between the low voltage Small Generator Facility equipment and the medium voltage EDS. The GSU connection needs to be compatible with the EDS construction and grounding requirements. Where the Interconnection Customer is served from a four-wire distribution circuit with a multi-grounded neutral, an effectively grounded system with respect to the EDS must be maintained to ensure neutral stability and avoid distribution circuit over voltage during isolation of the area EDS. Therefore the GSU utility side-connection will need to be wye grounded unless specifically instructed otherwise. NorthWestern requires the Interconnection Customer to select the transformer's Interconnection Customer side winding configurations so that the Small Generator Facility does not produce damaging overvoltage on the EDS.
    - b. NorthWestern will accept the following transformer winding configurations on four wire grounded wye feeders:
      - A wye-grounded utility side to delta Interconnection Customer side transformer.
      - A wye-grounded utility side to wye-grounded Interconnection Customer side transformer with an effectively grounded source. This configuration typically requires a detailed grounding bank analysis.
    - c. Any distribution feeder not constructed four wire grounded wye will need to have the interconnection evaluated for the appropriate transformer connection.
  - 2. Inverters (where applicable)
    - a. Inverters shall be compliant with the current version of IEEE 1547 Standards, be certified to current version of UL 1741 Standard, and be on the approved list published by the California Energy Commission.
    - b. If photovoltaic units are used, they must be IEEE Standards compliant.
  - 3. Governing Authority
    - a. The Small Generator Facility shall be installed in conformance with all applicable requirements of the National Electric Code and local building or electrical codes.

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b. The Small Generator Facility must be inspected and approved by the appropriate state or city electrical inspector and this agreement must be fully executed and returned to NorthWestern before parallel operation can begin. It is up to the Interconnection Customer to notify NorthWestern that the inspection has been completed and approved.

# 4. Control Set Points

The Interconnection Customer or Interconnection Customer's agents shall not alter the agreed upon control set points without first notifying NorthWestern in writing of the Interconnection Customer's intent to make any such modifications. The set point changes must be agreed upon in writing by NorthWestern before changes can be implemented.

### 5. Disconnect Access

The Small Generator Facility shall be capable of being manually isolated from the EDS by means of an external, visible load break disconnect switch located at the POI. The disconnect switch should be located within 10 feet of the Interconnection Customer's electric meter and shall be installed, owned, and maintained by the Interconnection Customer and shall be clearly marked "Generator Disconnect Switch" on a weather resistant placard. This switch shall be readily accessible to NorthWestern personnel at all times, and NorthWestern shall have the right to lock this switch open whenever necessary to maintain safe electrical operating conditions on the EDS. If the disconnect switch will be located farther than 10 feet away from the POI, the location must be approved in writing by NorthWestern, and a weather resistant placard shall be mounted next to the POI indicating clearly where the disconnect switch is located.

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