

STANDARD INTERCONNECTION AGREEMENT FOR CUSTOMER-OWNED TIER 3 RENEWABLE GENERATION SYSTEMS (Greater than 100 kW and Less than or Equal to 2 MW)

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EFFECTIVE DATE
October 1, 2008

Gulf Power Company, hereinafter referred to as "the Company", agrees to interconnect with the Customer-Owned Renewable Generation system ("the Facility") as defined under Rule 25-6.065, F.A.C. located on the premises of _____, the "Customer," under the terms and conditions of this Standard Interconnection Agreement as approved by the Florida Public Service Commission pursuant to Rule 25-6.065(3), F.A.C.

1. Facility Requirements

The Customer's Facility is located at _____, within the Company's service area. The Customer intends to have its Facility installed and operational on or about _____.

- a. To qualify for expedited interconnection as a Tier 3 generator pursuant to Rule 25-6.065, the Facility must have a Gross Power Rating, as defined by Rule 25-6.065(2)(b), that:
- i. Does not exceed 90% of the Customer's utility distribution service rating; and
 - ii. is greater than 100 kW and less than or equal to 2 MW.

The Facility's Gross Power Rating is _____.

- b. The Facility shall be considered certified for interconnected operation if it has been submitted by the manufacturer to a nationally recognized testing and certification laboratory, and has been tested and listed by the laboratory for continuous interactive operation with an electric distribution system in compliance with the following codes and standards, as applicable:
- i. IEEE 1547 (2003) Standard for Interconnecting Distributed Resources with Electric Power Systems;
 - ii. IEEE 1547.1 (2005) Standard Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems; and

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- iii. UL 1741 (2005) Inverters, Converters, Controllers and Interconnection System Equipment for Use with Distributed Energy Resources.
- c. If the Facility does not comply with Section 1(a)-(b), additional design review, testing and/or equipment may be required by the Company. The Customer shall be responsible for the costs of such additional design review, testing and/or equipment.
- d. The Facility shall include a utility-interactive inverter, or other device that performs the function of automatically isolating the Facility from the Company's electric system in the event the Company's electric system loses power. The inverter shall be considered certified for interconnected operation if it has been submitted by the manufacturer to a nationally recognized testing laboratory to comply with UL 1741.

2. **Interconnection Application**

In order to commence the process for interconnection of the Facility, the Customer shall complete and submit to the Company a Standard Interconnection Application (a downloadable copy of which is located on the Company's website, www.gulfpower.com). Upon the Customer's request, the Company will provide a hard copy of the Standard Interconnection Application to the Customer within five (5) business days of the Customer's request.

3. **Construction Codes and Standards**

Prior to and during the operation of the Facility in parallel with the Company's electric system, the Customer is responsible for ensuring that the Facility achieves and maintains compliance with all applicable city, county, state, and federal construction codes and standards.

4. **Inspection Requirements**

- a. Prior to operating in parallel with the Company's electric system, the Customer must have the Facility inspected and approved by local code officials to ensure compliance with all applicable local codes. The Customer shall provide a copy of the inspection report of the local code enforcement agency indicating compliance with this section 4(a) with the Customer's Interconnection Application.

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- b. Prior to and after allowing the Customer's Facility to operate in parallel with the Company's electric system, authorized Company representatives may inspect the Facility to verify that the Facility is and continues to be in compliance with the standards contained in this Agreement. At least ten (10) business days prior to initially placing the Facility in service, the Customer shall provide written notification to the Company advising the Company of the date and time at which the Customer intends to place the Facility in service, and the Company shall have the right to have personnel present on the in-service date in order to ensure compliance with the requirements of this Agreement and Rule 25-6.065. System inspections shall include, but not be limited to; (i) any installed manual disconnect switch, as applicable; (ii) the Company's metering equipment; (iii) any additional metering equipment installed by the Customer; (iv) the Customer utility-interactive inverter, or similar protective device; and (v) Customer documentation.
- c. The Company will provide the Customer with as much notice as reasonably practicable; either in writing, e-mail, facsimile or by phone as to when the Company may conduct inspection and/or document review. Upon reasonable notice, the Company shall have access to the Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed by this Interconnection Agreement or, if necessary, to meet the Company's legal obligation to provide service to its customers. In the event that emergency access is required and no prior notice is given to the Customer, the Company will, at a minimum, leave a door hanger at the premises notifying the customer of the inspection and the reasons for the inspection. At any time without notice in the event of an emergency or hazardous condition, the Company shall have access to the Customer's premises to operate the manual disconnect switch.
- d. Any inspection or observation by the Company shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Company of the safety, durability, suitability, or reliability of the Facility.
- e. In no way does the foregoing inspection provision limit the Company's rights under Section IV, Part 1.12 of the Company's Tariff for Retail Electric Service, to access, test, install, maintain, inspect, repair or remove company-owned property located on the Customer's premises.

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5. **Modifications/Additions to the Facility**

- a. If the Facility is modified in order to increase its Gross Power Rating, the Customer must notify the Company by submitting a new Interconnection Application specifying the modifications at least thirty (30) days prior to making the modifications. If Facility's Gross Power Rating is increased beyond 2 MW, this Agreement shall terminate and the interconnection will be addressed by a separate process not covered under the Tier 1, Tier 2 or Tier 3 agreements.
- b. If the Customer adds another customer-owned renewable generation system which (i) utilizes the same utility-interactive inverter for both systems; or (ii) utilizes a separate utility-interactive inverter for each system, then the Customer shall provide the Company with thirty (30) days written notice of the addition.

6. **Responsibility for Facility Components**

The Customer is responsible for protecting the Facility equipment, including the generating equipment, inverters, protective devices, and other system components from damage from the normal and abnormal conditions and operations that occur on the Company's system in delivering and restoring power; and is responsible for ensuring that the Facility equipment is inspected, maintained and tested in accordance with the manufacturer's instructions to ensure that it is operating correctly and safely.

7. **Indemnity for Loss to Third Parties**

- a. The Customer hereby agrees, to the proportionate extent caused or contributed to by the negligence of the Customer or its subcontractors, agents, or employees, to indemnify and hold the Company and its officers, directors, agents, servants and employees harmless from any and all claims, damages, costs (including attorneys' fees and court costs), suits, or actions of third parties resulting from, arising out of, related to, or in any way associated or connected with the operation of the Facility.
- b. The Company hereby agrees, to the proportionate extent caused or contributed to by the negligence of the Company or its subcontractors, agents, or employees, to indemnify and hold the Customer harmless from any and all claims, damages, costs (including attorneys' fees and court costs), suits, or actions of third parties resulting from, arising out of, related to, or in any way associated or connected with the operation of the Company's utility system.

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8. **Customer Insurance**

The Customer shall acquire and maintain in force general liability insurance in an amount of no less than two million dollars (\$2,000,000) per occurrence for damage to persons or property resulting from operation of the Facility. The Customer shall provide initial proof of insurance, or sufficient guarantee and proof of self-insurance, evidencing the Facility as a covered addition to the Customer's insured property. The Customer shall submit similar proof of continuing insurance coverage within thirty (30) days of any policy renewal.

9. **Manual Disconnect Switch**

The Customer shall install (at the Customer's expense) a manual disconnect switch of the visible load break type to provide a separation point between the AC power output of the Facility and the customer wiring connected to the Company's system. The manual disconnect switch shall be mounted separate from, but adjacent to, the meter socket and shall be readily accessible to the Company and capable of being locked in the open position with a single utility-owned padlock. The Company may open and lock the switch pursuant to the conditions set forth in Section 10 below without prior notice to the Customer. If disconnection is required and provision of notice is practicable under the circumstances, the Company will provide notice prior to disconnection. If advanced notice is not practicable under the circumstances, the Company will, at a minimum leave a door hanger at the premises explaining the condition necessitating the disconnection. The switch will be re-closed by the Company as soon as practicable once the conditions necessitating the disconnection cease to exist.

10. **Conditions Warranting Disconnection of the Customer's Facility**

The Company may disconnect the Customer's Facility from the Company's system for any of the following reasons:

- a. Emergencies or maintenance requirements on the Company's electric system;
- b. Hazardous conditions existing on the Company's system due to the operation of the Facility, as determined by the Company;
- c. Adverse electrical effects, such as power quality problems, on the electrical equipment of the Company's other customers caused by the Facility, as determined by the Company; and/or
- d. Failure of the Customer to maintain the required insurance coverage.

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(Continued from Tier 3, Sheet No. 9.70)

11. **Application Fee and Interconnection Study Charge**

The Customer shall pay the Company a one-time non-refundable application fee of \$477. In addition, if the Company determines upon reviewing the Customer's Interconnection Application that an interconnection study is needed, the Customer shall pay the Company an interconnection study charge deposit of \$2,680 within fourteen (14) days of the Company's request. In the event that the expenses incurred by the Company in conducting the interconnection study are less than the deposit, the Company shall refund the difference to the Customer within sixty (60) days of completing the interconnection study. If, as a result of any interconnection study that is performed, it is determined that the Company's system or associated equipment must be expanded or costs must be incurred to accommodate the safe and reliable operation of the Facility on an interconnected basis with the Company, the Customer may be liable for charges to make such expansion or recoup such costs. Any such charges shall be not be assessed against the Customer without prior approval of the Florida Public Service Commission as per Rule 25-6.065(4)(h).

12. **Net Metering**

The Company will install metering equipment on the Customer's premises capable of measuring any excess kilowatt-hours produced by the Customer's system and delivered to the Company's electric system. The cost of the meter, installation, maintenance, and any costs of reading and billing associated with this meter equipment shall be borne by the Company. Additional information concerning net metering can be found at Section IV Rules and Regulations, Part IV Billing and Metering Regulations, Sheet No. 4.16 of the Company's Retail Tariff, as approved by the Florida Public Service Commission.

13. **Renewable Energy Certificates**

Ownership of Renewable Energy Certificates shall be addressed in accordance with Rule 25-6.065(9).

14. **Administrative Requirements**

- a. Within ten (10) business days of receipt of the Customer's Interconnection Application the Company will provide written notice that it has received all documents required to be submitted in connection with the Interconnection Application, or indicate how the application is deficient. The items required to be submitted in connection with the

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Interconnection Application shall, at a minimum, include the application fee; the Interconnection Study Charge Deposit; proof of insurance; technical design parameters of the Facility or the manufacturer's installation, operation and maintenance instructions demonstrating that the Facility is in compliance with requirements described in Section 1 (a)-(c) of this Standard Interconnection Agreement; and a copy of the inspection report of the local code enforcement agency indicating compliance with Section 4 (a) of this Standard Interconnection Agreement.

If the customer is leasing the Facility from a third party, the Customer shall also provide the Company with a copy of the lease agreement. Within ten (10) business days of receipt of a completed Interconnection Application, the Company will provide written notice to the Customer verifying receipt of the completed Application. In this notice, the Company will also include dates for any physical inspection of the Facility necessary for the Company to confirm compliance with Rule 25-6.065(2)-(4).

- b. The Company will execute this Standard Interconnection Agreement within ninety (90) calendar days of receiving the Customer's completed Interconnection Application. A completed Interconnection Application shall consist of the Interconnection Application itself; the application fee; the Interconnection Study Charge Deposit; proof of insurance; a copy of the inspection report of the local code enforcement agency indicating compliance with Section 4(a) of this Standard Interconnection Agreement; technical design parameters of the Facility or the manufacturer's installation, operation and maintenance instructions demonstrating that the Facility is in compliance with requirements described in Section 1 (a)-(c) of this Standard Interconnection Agreement, and, if the Customer is leasing the Facility from a third party, a copy of the lease agreement.
- c. The Customer must execute this Standard Interconnection Agreement and return it to the Company at least thirty (30) calendar days prior to beginning parallel operations with the Company's system and within one (1) year after the Company executes the Agreement. All physical inspections of the Facility by the Company will be completed by the Company within thirty (30) calendar days of receipt of the Customer's executed Standard Interconnection Agreement. If the in-service date of the Facility is scheduled or anticipated to occur on a date beyond thirty (30) calendar days of receipt by the executed Standard Interconnection Agreement by the Company, or if the inspection is delayed at the Customer's request, the Customer shall contact the Company to reschedule an inspection. The Company will reschedule the inspection within ten (10) business days of the Customer's request.

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15. **Change in Facility Ownership**

This Agreement shall not be assignable by the Customer without the written consent of the Company, which consent shall not be unreasonably withheld. If there is a change in the ownership of the Facility (if the facility is owned by the Customer) or a change in the identity of the person/entity leasing the Facility (if the Facility is leased), the Customer shall provide written notice to the Company at least thirty (30) calendar days prior to the change. The new owner/lessee of the Facility will be required to assume in writing the Customer's rights and duties under this Agreement, or execute a new Standard Interconnection Agreement. The new owner/lessee will not be entitled to net meter or operate in parallel with the Company's electric system in accordance with Rule 25-6.065 until the new owner/lessee assumes this Agreement or a new Standard Interconnection Agreement is executed by the new owner/lessee and the Company.

16. **Retail Purchase of Electricity**

Pursuant to Rule 25-6.065(2)(a), the Customer may contract with a third party for the purchase, lease, operation, or maintenance of an on-site renewable generation system under terms and conditions that do not include the retail purchase of electricity from the third party. In the event that the Customer is determined by the Florida Public Service Commission to have engaged in the retail purchase of electricity from a party other than the Company, the Customer will be in breach of this Agreement and may be subject to the jurisdiction of the Florida Public Service Commission and to fines/penalties.

17. **Dispute Resolution**

Parties may seek resolution of disputes relating to the application or interpretation of this Agreement in accordance with Rule 25-6.065(11).

18. **Amendments to Public Service Commission Rules**

In the event that the Florida Public Service Commission rules relating to the subject matter of this Agreement are amended, the Company and the Customer agree to supersede and replace this Interconnection Agreement with a new Interconnection Agreement which complies with the amended Florida Public Service Commission rules.

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19. **Incorporation of Company Tariff**

The Company's Tariff and associated technical terms and abbreviations, general rules and regulations and standard electric service requirements (as may be applicable) are incorporated herein by reference.

20. **Termination**

Upon termination of this Interconnection Agreement, the Company shall open and padlock the manual disconnect switch, if applicable, and remove the additional kilowatt-hour meter and associated Company equipment. At the Customer's expense, the Customer agrees to permanently isolate the Facility from the Company's electric service grid. The Customer shall notify the Company in writing within ten (10) business days that the isolation procedure has been completed.

21. **Entire Agreement**

This Interconnection Agreement supersedes all previous agreements or representations, either written or oral, heretofore in effect between the Company and the Customer, made in respect to matters herein contained, and when duly executed, this Interconnection Agreement constitutes the entire agreement between Parties hereto.

22. **No Extension of Credit**

In executing this Agreement, the Company does not, nor should it be construed to extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with the Customer or any assignee of this Agreement.



Section No. IX
Third Revised Sheet No. 9.75
Canceling Second Revised Sheet No. 9.75

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(Continued from Tier 3, Sheet No. 9.74)

23. **Official Notification**

For the purpose of making emergency or other communication relating to the operation of the Facility under the provisions of this agreement, the parties designate the following people for said notification:

For the Company: _____

For the Customer: _____

GULF POWER COMPANY

By: _____
(Signature)

(Print or Type Name)

Title: _____

Date: _____

CUSTOMER

By: _____
(Signature)

(Print or Type Name)

Title: _____

Date: _____