

**CONTRACT FOR COGENERATION AND SMALL POWER PRODUCTION
FACILITIES OF LESS THAN 40 KW**

THIS CONTRACT is entered into _____, 20____, by Steele-Waseca Cooperative Electric (hereinafter called *Cooperative* and _____ (hereinafter called *QF*).

RECITALS

The QF has installed electric generating facilities, consisting of:

(Description of facilities), rated less than 40 kilowatts of electricity, on property located at:

The QF is prepared to generate electricity in parallel with the Cooperative.

The QF's electric generating facilities meet the requirements of the Minnesota Public Utilities Commission (hereinafter called *Commission*) rules on Cogeneration and Small Power Production and any technical standards for interconnection the Cooperative has established that are authorized by those rules.

The Cooperative is obligated under federal and Minnesota law to interconnect with the QF and to purchase electricity offered for sale by the QF.

A contract between the QF and the Cooperative is required by the Commission's rules.

AGREEMENTS

The QF and the Cooperative agree:

1. The Cooperative will sell electricity to the QF under the rate schedule in force for the class of customer to which the QF belongs.

2. The Cooperative will buy electricity from the QF under the current rate schedule filed with the Commission. The QF has elected the rate schedule category hereinafter indicated (select one):

___a. Net energy billing rate under part 7835.3300.

___b. Simultaneous purchase and sale billing rate under part 7835.3400.

___c. Time-of-day purchase rates under 7835.3500.

A copy of the presently filed rate schedule is attached to this contract.

3. The rates for sales and purchases of electricity may change over the time this contract is in force, due to actions of the Cooperative or of the Commission, and the QF and the

Cooperative agree that sales and purchases will be made under the rates in effect each month during the time this contract is in force.

4. The Cooperative will compute the charges and payments for purchases and sales for each billing period. Any net credit to the QF will be made under one of the following options as chosen by the QF:

- 1. Credit to the QF's account with the Cooperative
- 2. Paid by check to the QF within 15 days of the billing date.

5. The QF must operate its electric generating facilities within any rules, regulations, and policies adopted by the Cooperative not prohibited by the Commission's rules on Cogeneration and Small Power Production which provide reasonable technical connection and operating specifications for the QF. This agreement does not waive the QF's right to bring a dispute before the Commission as authorized by Minnesota Rules, parts 7835.4800, 7835.5800 and 7835.4500 and any other provision of the Commission's rules on cogeneration and Small Power Production authorizing Commission resolution of a dispute.

6. The Cooperative's rules, regulations and policies must conform to the Commission's rules on Cogeneration and Small Power Production.

7. The QF will operate its electric generating facilities so that they conform to the national, state and local electric and safety codes, and will be responsible for the costs of conformance.

8. The QF is responsible for the actual, reasonable costs of interconnection which are estimated to be \$_____. The QF will pay the Cooperative in this way: SWCE will bill out actual costs after the interconnection is completed. The amount shall be paid in full within 30 days of the invoice date.

9. The QF will give the Cooperative reasonable access to its property and electric generating facilities if the configuration of those facilities does not permit disconnection or testing from the Cooperative's side of the interconnection. If the Cooperative enters the QF's property, the Cooperative will remain responsible for its personnel.

10. The Cooperative may stop providing electricity to the QF during a system emergency. The Cooperative will not discriminate against the QF when it stops providing electricity or when it resumes providing electricity.

11. The Cooperative may stop purchasing electricity from the QF when necessary for the Cooperative to construct, install, maintain, repair, replace, remove, investigate, or inspect any equipment or facilities within its electric system. The Cooperative will notify the QF before it stops purchasing electricity in this way: The Cooperative will notify the QF in a manner consistent with that of notifying all other member-consumers in that consumer class.

12. The QF will keep in force liability insurance against personal or property damage due to the installation, interconnection, and operation of its electric generating facilities. The amount of insurance coverage will be \$300,000.00 (The Cooperative may not require an amount greater than \$300,000.00).

13. This contract becomes effective as soon as it is signed by the QF and the Cooperative. This contract will remain in force until either the QF or the Cooperative gives

written notice to the other that the contract is canceled. This contract will be canceled 30 days after notice is given.

14. This contract is subjected to all terms and conditions stated in the State of Minnesota Generation Interconnection Requirements and the State of Minnesota Interconnection Agreement as approved by the Public Utilities Commission.

15. This contract contains all the agreements made between the QF and the Cooperative except that this contract shall at all times be subject to all rules and orders issued by the Public Utilities Commission or other government agency having jurisdiction over the subject matter of this contract. The QF and the Cooperative are not responsible for any agreements other than those stated in this contract.

THE QF AND THE COOPERATIVE HAVE READ THIS CONTRACT AND AGREE TO BE BOUND BY ITS TERMS, AS EVIDENCE OF THEIR AGREEMENT, THEY HAVE EACH SIGNED THIS CONTRACT BELOW ON THAT DATE WRITTEN AT THE BEGINNING OF THIS CONTRACT.

QF

By: _____

COOPERATIVE

By: _____

Syd Briggs, General Manager

Revision 5
02/04/09