



CONTINENTAL DIVIDE ELECTRIC COOPERATIVE, INC.

200 E. High St. • P.O. Box 1087 • Grants, New Mexico 87020 • (505) 285-6656 • Fax (505) 287-2234

Standard Tariff for Electricity Purchases From And Sales to Qualifying Facilities

Applicant: _____

Dated _____ 20____

Form of Standard Contract

“Standard Interconnection Agreement
For Qualifying Facilities with a design
Capacity of 25 Kilowatts or Less”

Preamble

This Agreement is made as of the _____ day of _____, 20____, by and between

(a _____ partnership) (a single person) (husband and wife) (a _____
corporation) (a limited liability company) (“Producer”) and _____,
 (“Utility” or Distribution Cooperative”) hereinafter referred to collectively as “Parties” and
singularly as “Party”.

WHEREAS, the Producer receives electric service from Distribution Cooperative, which is a member of Tri-State Generation and Transmission Association, Inc. (“G&T”), receives its full-requirements wholesale electric service from G&T and has retained all rights and obligations concerning continued electric service to the Producer;

WHEREAS, Distribution Cooperative is subject to the plenary jurisdiction of New Mexico Public Regulation Commission (“NMPRC”), and the Producer desires to (sell) (provide) all the electric energy produced by the Qualifying Facility (“QF”) that is not consumed by the Producer, and the NMPRC as adopted 17 NMAC 10.570 (“NMPRC Rule 570”) governing this transaction and Distribution Cooperative has filed its Tariff there under, a copy of which is annexed hereto and incorporated herein by reference and is subject to change by the NMPRC; and

WHEREAS, the Producer represents and warrants that the facility is a QF as defined by NMPRC Rule 570.3(h) having installed capacity of 25 kilowatts or less.



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NOW, THEREFORE, for and in consideration of the mutual undertakings herein contained and for other good and valuable consideration, the receipt and adequacy of what is hereby acknowledged, the Producer and Utility agree as follows:

Section 1 Definitions

Whenever used in the Agreement, the following words and phrases shall have the following meanings:

Section 1.1

“*Agreement*” shall mean this Agreement and all schedules, tariffs, attachments, exhibits and appendices attached hereto and incorporated herein by reference.

Section 1.2

“*Interconnection Facilities*” shall mean all machinery, equipment and fixtures required to be installed solely to interconnect and deliver power from the QF to the Utility’s system, including, but not limited to, connection, transformation, switching, metering, relaying, line and safety equipment and shall include all necessary additions to, and reinforcements of, the Utility’s system.

Section 1.3

“*Prudent Electrical Practices*” shall mean those practices, methods and equipment, as changed from time to time, that are commonly used in prudent electrical engineering and operations to operate electric equipment lawfully, and with safety, dependability, efficiency and economy.

Section 1.4

“*Qualifying Facility*” (QF) means a cogeneration facility or a small power production facility of an installed capacity of 25 kilowatts or less meets the criteria for qualification contained in 18 C.F.R. Section 292.203.

Section 1.5

“*Interconnection Costs*” means those costs set forth in NMPRC Rule 570.3 (c)



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Section 1.6

“*Point of Delivery*” means the geographical and physical location described on Exhibit B hereto. Such exhibit depicts the location of QF’s side of Interconnection Facilities where Producer is to (sell and) deliver electric energy pursuant to this Agreement or pursuant to a separate wheeling agreement.

Section 1.7

“*Termination*” means termination of this Agreement and the rights and obligations of the Parties under this Agreement, except as otherwise provided for in this Agreement.

Section 1.8

“*Suspension*” means suspension of the obligation of the Distribution Cooperative to interconnect with and purchase electricity from the Producer.

Section 2 Facilities to be Provided

Unless otherwise provided for herein, Utility will (purchase) (accept) and the Producer will (sell) (provide) all the electric energy produced by the QF that is not consumed by the Producer. Upon execution of this Agreement, the Producer shall, at its expense, design, construct, install, operate and maintain to and at the Point of Deliver the QF which is described in Exhibit A, attached hereto and hereby incorporated by reference.

The Point of Delivery shall be located as described on Exhibit B, attached hereto and hereby incorporated by reference, which shall include the following information:

The QF shall meet all applicable Federal, state and local codes, including but not limited to all provisions of the National Electrical Code and the National Electrical Safety Code, as such codes now exist, and all Prudent Electrical Practices.

The Producer shall submit all specifications and drawings of its proposed QF to Utility for tentative written approval prior to connecting the QF to the Utility’s system. Review of the Producer’s specifications and drawings will be provided within a reasonable time.



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Tentative approval shall not be construed as permission to operate the facilities without written authorization from Utility after inspection of the completed facilities.

Within 60 days of the execution of this Agreement and receipt of necessary right-of-ways, easements and materials, unless such period is extended by NMPRC, Utility shall design, construct, install, operate, and maintain the Interconnection Facilities described on Exhibit C, attached hereto and hereby incorporated by reference. The Producer shall reimburse _____ for all costs incurred by _____ for Interconnection Costs, an estimate of costs is set out on Exhibit C attached hereto. Terms of reimbursement shall be _____.

The Producer shall furnish, install and maintain a clearly labeled load break disconnect switch in a visible outside, readily accessible location for the purpose of isolating Producer's generation from the Utility's system. The load break disconnect switch must disconnect the Producer's generator from the Utility's system without interrupting other types of service to the Producer. The Producer shall provide a map of suitable scale showing the exact location of the switch. Such map shall be a securable type switch. Ingress and egress to this switch by G&T's or Distribution Cooperative's personnel shall be provided at all times by the Producer. The load break disconnect switch must comply with the interconnection and Safety Standards attached as Exhibit D hereto and incorporated herein by reference.

Utility's review of the Producer's specifications, drawings and maps, inspection of or authorization to operate QF or approval of any modification thereto shall be construed neither as its confirmation or endorsement of the design of QF nor as an endorsement, warranty, guarantee or representation concerning the safety, operating characteristics, durability or reliability of the QF. Notwithstanding such review, inspection, authorization or approval, or the failure to make the same, G&T and/or the Distribution Cooperation shall not be responsible or liable for the strength, details of design, defects, outages, adequacy, operation or capacity of the QF to Producer or any third party(ies).

Section 3 Terms of Agreement

The Original terms of this Agreement shall be for a period of five (5) years from the date of the execution of this Agreement and shall continue thereafter from that year to year until terminated as herein provided



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Section 3.1

Termination by the Producer. Termination of this Agreement during and after the original term requires written notice to the Utility that this Agreement will terminate in ninety (90) days. The Producer may terminate this Agreement without showing good cause.

Section 3.2

Termination by the Utility. Termination of this Agreement during and after the original term requires written notice to the Producer that this Agreement will terminate in ninety (90) days, unless otherwise provided. The Distribution Cooperative, in the exercise of this right, must show good cause for the termination. Good cause shall include, but is not limited to the specific provisions contained in sections 3.3, 3.4, 4.4, and 12

Section 3.3

At any time the QF is sold, leased, assigned, or otherwise transferred, the seller or lesser of the QF shall notify Utility and this Agreement may be terminated at Utility's option regardless of whether such transfer occurs during the original term or any renewal thereof. Such termination may be made with five (5) days written notice by Utility.

Section 3.4

Should the Producer default in the performance of any of the Producer's obligations hereunder, Utility may suspend interconnection, purchases, or both and if the default continues for more than 90 days after written notice by Utility to the Producer, Utility may terminate this Agreement. Termination or suspension shall not affect the obligation of Utility to pay for energy already delivered or of the Producer to reimburse interconnection costs, or any cost the accrued. Upon termination, all amounts owed to Utility will become payable immediately.

Section 4

Easements and Rights-of-Way

Section 4.1

The Producer hereby agrees to grant at no expense to G&T and the Distribution Cooperative, all easements and right-of-way necessary for G&T and the Distribution Cooperative to install, operate, maintain, replace, and remove G&T and the Distribution Cooperative's metering and



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Interconnection Facilities, Including, but not limited to, adequate and continuous access rights to property owned by the Producer.

Section 4.2

The Producer agrees to execute and deliver all documents G&T and Distribution Cooperative shall deem necessary to enable them to obtain and record such easements and rights-of-way.

Section 4.3

If any part of the Interconnection Facilities is to be installed on property owned by any person who is not a party to this Agreement, the Producer shall, at its expense, obtain from the owner of such property in the name of G&T and/or Distribution Cooperative, and in a form satisfactory to G&T and/or the Distribution Cooperative, all necessary easements and rights-of-way for G&T and/or the Distribution Cooperative to install, operate, maintain, replace, and remove the Interconnection Facilities.

Section 4.4

Utility shall have no duty or responsibility to acquire any easements or right-of ways necessary to connect the QF to G&T and/or Distribution Cooperative's systems. If necessary easements and rights-of-way are not obtained on terms agreeable to G&T and the Distribution Cooperative, this Agreement may be terminated by giving written notice of such intention to the Producer within a reasonable time from the date of this Agreement.

Section 5 Meter Installation

The Producer will be metered by a meter or meters as determined by Utility. Utility may install, at its option and expense, magnetic tape recorders in order to obtain load research information. The Producer shall supply at its own expense, a suitable location for all meters and associated equipment. Such location must conform to G&T and/or the Distribution Cooperative's meter location policy.

The following metering options will be offered by Utility:



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Load Displacement Option. Utility will interconnect with the customer using a single meter, which will be ratcheted and would only measure the flow of energy to the Producer. Billing to the Producer will be at Distribution Cooperative's approved tariff rate applicable and to the service provided to the QF. There will be no additional customer charge and no payment by the Utility for any excess power, which might be generated by the QF

Net Metering Option. Utility may install an additional meter to measure separately the energy generated by the Producer and then calculate net energy consumed or supplied by the Producer. The Producer will be paid for energy supplied above the amount consumed at Utility's energy rate for such purchases, as filed with the approved by the NMPRC. Utility will be paid for energy consumed by the Producer in excess of the amount supplied by the Producer at its approved tariff rate applicable to the service provided to the Producer. An additional customer charge to cover the added costs of billing and administration may be included in the tariff.

Simultaneous Buy/Sell Option. Utility will install (an) additional meter(s) to measure separately all the power produced and consumed by the Producer. Utility will purchase all power produced at its energy rate for such purchases, as filed with and approved by the NMPRC. The Producer shall purchase all power produced consumed at its normally applicable rate. An additional customer charge to cover the added costs of billing and administration may be included.

All meter standards and testing shall be in compliance with the Utility's rules and regulations as approved by the NMPRC

The metering configuration shall be one of the G&T's and/or Distribution Cooperative's standard metering configurations as set out in Exhibit E and mutually agreeable to the parties or any other metering configuration mutually agreeable to the parties. The agreed upon configuration is shown on Exhibit A. Service by the Distribution Cooperative to the Producer shall be in accordance with the Distribution Cooperative's articles, bylaws and regulations and in accordance with its tariffs and filed with the NMPRC, the terms and conditions of which shall be unaffected by this Agreement.



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Section 6 Operation

The Producer shall notify Utility before the initial energizing and start-up testing of the facility, and G&T and/or the Distribution Cooperative shall have the right to have a representative present at such test. In the event the QF and the Producer are in compliance with all provisions of the Agreement, Utility shall give written authorization to the Producer to operate the QF.

Written authorization to operate the QF of approval of any modification thereto shall be construed neither as a confirmation or endorsement of the design of the QF nor as an endorsement, warranty, guarantee or representation concerning the safety, operating characteristics, durability or reliability of the QF. Notwithstanding such authorization, or the failure to give the same, G&T and/or the Distribution Cooperative shall not be responsible or liable for the strength, details of design, defect, outages, adequacy, operation or capacity of the QF to Producer or any third party(ies).

Each Party shall construct, operate and maintain its system and facilities in compliance with the Interconnection and Safety Standards as set out in Exhibit D.

Section 6.1 Suspension

- A. The load break disconnection switch provided by the Producer may be opened and secured with a G&T- and/or Distribution Cooperative-owned padlock by G&T and/or Distribution Cooperative without prior notice to the Producer in the event of:
 - a. G&T and/or Distribution Cooperative systems emergency
 - b. Evidence showing the Producer's QF to be hazardous to G&T's and/or the Distribution Cooperative's system or customers.

- B. G&T and/or Distribution Cooperative will endeavor to notify the Producer of its intent to open the switch if:
 - a. There is evidence that the Producer's QF is interfering with service to other G&T's and/or Distribution Cooperative's customers or interfering with the operation of G&T's and/or Distribution Cooperative's equipment. The Producer may be reconnected by G&T and/or Distribution Cooperative when the Producer makes the necessary changes to comply with the standards required by this agreement.



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- b. There is failure of the Producer, to adhere to this Agreement
- c. It is necessary to assure safety of G&T and/or Distribution Cooperative's personal
- d. If suspension of service is otherwise necessary and allowed under Utility's Rules and Regulations as approved by the NMPRC

The Producer shall notify Utility prior to making any modifications to the QF or to the interconnection between the QF and Utility. The Producer must receive approval from Utility prior to proceeding with such modifications. As a result of such modifications, the Producer shall permit G&T and/or Distribution Cooperative, at any time to install or modify any equipment, facility or apparatus necessary to protect the safety of its employees or to assure the accuracy of its metering equipment. The cost of the above shall be borne by the Producer.

Approval of modification of a QF shall be construed neither as a confirmation or endorsement of the modification nor as an endorsement, warranty, guarantee or representation concerning the safety, operating characteristics, durability or reliability of the QF. Notwithstanding such approval, or the failure to give the same, G&T and/or Distribution Cooperative shall not be responsible or liable for the strength, details of design, defects, outages, adequacy, operation or capacity of the QF to Producer or any thing party(ies). G&T and/or Distribution Cooperative shall have the right to disconnect the QF if it has been modified without Utility's authorization.

The Producer shall cooperate with load management plans and techniques as ordered or approved by the NMPRC, and the service to be furnished by the Utility hereunder may be modified as required to conform thereto.

Section 7 Force Majeure

“Force Majeure” shall mean any cause beyond the control of the Party affected, including, but limited to, failure of or threat of failure of facilities, flood, earthquake, tornado, storm, fire lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority, and action or non-action by or failure to obtain the necessary authorizations or approvals from any governmental agency or authority, which by exercise of due diligence such Party could not reasonably have been expected to avoid



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and which by exercise of due diligence such party could not reasonably have been expected to avoid and which exercise of due diligence, it shall be unable to overcome.

If either Party, because of force majeure, is rendered wholly or partly unable to perform its obligations under this Agreement, except for the obligation to make payments of money, that Party shall be excused from whatever performance is affected by the force majeure to the extent so affected, provided that:

- a. The non-performing Party, within a reasonable time after the occurrence of the force majeure, gives the other Party written notice describing the particulars of the occurrence.
- b. The suspension of performance is of no greater scope and of no longer duration than is required by the force majeure; and
- c. The nonperforming Party uses its best efforts to remedy its inability to perform. (This subparagraph shall not require the settlement of any strike, walkout, lockout, or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to its interest. It is understood and agreed that that settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of the Party involved in the dispute.

Section 8 Indemnity

Each Party shall indemnify and save the other Party harmless from liability, loss, costs, and expenses on account of death or injury to persons or damage or destruction of property occasioned by the negligence of the indemnifying Party of its agents, officers, employees, contractors, licensees, or invitees, or any combination thereof, except to the extent that such death, injury, damage, or destruction resulted from the negligence of the other Party. The indemnity in favor of Distribution Cooperative shall extend to and indemnify G&T, its officers, directors, agents, employees and contractors. Provided, however, that:

- a. Each Party shall be solely responsible for the claims or any payments to any employee or agent for injuries occurring in connection with their employment or arising out of Workmen's compensation Law of Occupational Disease Disablement Law;



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- b. G&T and the Distribution Cooperative shall not be liable for any loss of earnings, revenues, indirect or consequential damages or injury which may occur to the Producer as a result of Interruption or partial interruption (single-phasing) in delivery of service from Producer by reason of any cause whatsoever, including negligence; and
- c. The provisions of this section on indemnifications shall not be construed so as to relieve any insurer of its obligation to pay any insurance proceeds in accordance with the terms and conditions of any valid insurance policy.

The indemnifying Party shall pay all costs and expenses incurred by the other Party in enforcing the indemnity under this Agreement including reasonable attorney fees.

Section 9 Dedication

An undertaking by one Party to another Party under any provision of this Agreement shall not constitute the dedication of such Party's system or any portion thereof to the public or to the other Party and any such undertaking shall cease upon termination of the Party's obligation herein.

Section 10 Status of Producer

In performing under this Agreement, the Producer shall operate as or have the status of an independent contractor and shall not act as or be an agent, servant, or employee of G&T or the Distribution Cooperative.

Section 11 Waiver

Any waiver at any time by either Party of its rights with respect to a default under this Agreement, or with respect to any other matters arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter.



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Section 12 Assignments

This Agreement and all provisions hereof shall inure to and be binding upon the respective Parties hereto, their personal representatives, heirs, successors, and assigns. Producer shall not assign this Agreement or any part hereof without the prior written consent of the Utility; otherwise this Agreement may be terminated pursuant to Section 3.3 of this Agreement.

Section 13 Notices

Any payments, notices, demands or requests required or authorized by this Agreement shall be deemed properly given if personally delivered or mailed postage prepaid to:

To or Upon Producer

_____, New Mexico _____
(Zip Code)

To or upon the Utility:

The designation of the persons to be notified, or the address thereof, may be changed by notice in writing by one Party to the other. Routine notices and notices during system emergency or operational circumstances may be made in person or by telephone.



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Section 14 Energy Purchase Price and Metering Option

All electric energy delivered and service rendered hereunder shall be delivered and rendered in accordance with the applicable Rate Schedules and Tariffs attached hereto and made a part hereof by reference. Producer has selected _____ metering option which is more fully explained in Section 5. It is understood and agreed, however that said rates are expressly subject to change by any regulatory body having jurisdiction over the subject matter of the Agreement.

If a new rate schedule of tariff is approved by the proper regulatory body, the new rate schedule of tariff shall be applicable to this Agreement upon the effective date of such rate schedule of tariff.

Section 15 Insurance

In the event the NMPRC or other regulatory body allows its jurisdictional utilities to require the Producer to carry liability insurance covering the QF, the Producer agrees to obtain such insurance. If insurance is required, the same requirements will be invoked for all Producers in a nondiscrimination manner. **ALL PRODUCERS ARE STRONGLY URGED TO OBTAIN LIABILITY INSURANCE TO COVER RISKS, LIABILITIES AND CONSEQUENCES WHICH MAY ARISE AS A RESULT OF INTERCONNECTING A QF TO A UTILITY SYSTEM**

Section 16 Miscellaneous

This Agreement and any amendments thereto, including any tariffs made a part hereof, shall at all times be subject to such changes or modifications as shall be ordered from time to time by any regulatory body Court having jurisdiction to require such changes or modification.

This Agreement (and any Tariffs incorporated herein) contains all the Agreements and representations of the Parties relating to the interconnection and purchases contemplated and no other agreement, warranties, understandings or representations relating thereto shall be binding unless set forth in writing as an amendments hereto.

In witness thereof, the Parties have executed this Agreement on the date set forth herein above.



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Date: _____

By: _____
Producer

Date: _____

By: _____



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