



Distributed Energy Resource (DER) Interconnection Policy and Requirements for the Village of Paw Paw, Michigan

1. Introduction

This Distributed Energy Resource (DER) Interconnection Policy and Requirements outlines the process, requirements, and agreements used to install or modify generation projects designed to operate in parallel with the Utility's electric distribution system.

These requirements are intended to ensure adequate protection of Utility equipment, employees, Project Developers, and the general public, and to ensure that the safety and reliability of the electric system are not degraded by the interconnection of Project Developer-owned generation facilities.

Technical requirements, including data, equipment, relaying, metering, and communication, are defined based on the type of generation, location of the interconnection, and mode of operation, including both flow-back (export of energy to the Utility system) and non-flow-back (no export to the Utility system) operation.

The term **"Project"** refers to electric generating equipment and associated facilities that are not owned by the Utility.

The term **"Project Developer"** means a person or entity that owns, operates, or proposes to construct or operate the Project.

This document does not address other project requirements such as environmental permitting, zoning, or fuel supply, nor does it constitute a request for transmission service.

This policy applies to any Project Developer or entity seeking to interconnect inverter-based distributed energy resources with the Utility's electric distribution system. It does not apply to stand-alone or backup generation systems that do not operate in parallel with the Utility system, including systems utilizing open- or closed-transition schemes that result in momentary parallel operation of no more than 100 milliseconds. Additionally, generators that are isolated using a double-throw, open-transition manual disconnect switch or an open-transition automatic transfer switch are not subject to these procedures.

The Utility may establish target processing timelines for interconnection applications based on project size and complexity; however, such timelines are not guaranteed and may vary based on workload, system conditions, and required engineering review.

2. Project Categories

Projects are classified based on aggregate generator output capacity.

<u>Level</u>	<u>Aggregate Generator Output</u>
Level 1	<Less than 20 kW>
Level 2	<Less than 550 kW>

These classifications are intended to reflect differences in review complexity and system impact. Technical and procedural requirements increase with project size to reflect the potential impact on the Utility system.

3. Interconnection Process

The interconnection process begins with submission of a complete Interconnection Application (see Appendix A), including required technical data and applicable fees. The Utility will review the application for completeness and will notify the Project Developer if additional information is required.

Upon acceptance of a complete application, the Utility will perform an engineering review or interconnection study to evaluate the impact of the Project on the electric distribution system and to determine the modifications required for safe and reliable interconnection.

Following completion of the study, the Utility will provide an Interconnection Agreement describing the required facilities, responsibilities of each Party, and associated costs. All costs related to interconnection facilities, system upgrades, and studies shall be paid by the Project Developer.

After execution of required agreements, the Project Developer shall proceed with the design, procurement, and construction of the Project in accordance with approved plans and applicable standards. The Utility will undertake any necessary installation or modification of its own facilities required to complete the interconnection.

Prior to operation, the Project Developer shall complete all required testing and inspections and provide evidence of compliance with applicable codes, standards, and agreements. SAFEbuilt shall inspect the installation and must grant approval before the Project is allowed to operate in parallel with the Utility system.

The Project Developer shall not operate in parallel with the Utility system until receiving written authorization to operate from the Utility. The Utility will provide written authorization to operate in parallel with the Utility when all of the following conditions are being met:

- Utility notified the Project Developer that the commissioning test and inspection, where applicable, are accepted
- The Project Developer complied with all applicable parallel operation requirements as set forth in these procedures and the applicable interconnection agreement
- Execution of the operating agreement

- The Project Developer complied with all applicable local, state, and federal requirements
- The Utility has received payment in full for all outstanding bills

Upon satisfactory completion of all requirements, testing and commissioning, the Utility shall issue a Parallel Operating Authorization that incorporates any ongoing requirements, terms or conditions that were defined in the operating agreement.

With this written authorization, the Project is considered approved for parallel operation, the Project may begin operating, and the Project Developer is considered an interconnection Project Developer.

4. Roles and Responsibilities

The Project Developer is responsible for the design, installation, operation, and maintenance of the Project and for obtaining all required permits, easements, and approvals from applicable authorities. The Project Developer shall bear all costs associated with the interconnection, including Utility system upgrades, study costs, and communication facilities.

The Utility is responsible for reviewing applications, performing engineering studies, defining interconnection requirements, and installing, operating, and maintaining Utility-owned interconnection equipment. The Utility retains the authority to determine the acceptability of the proposed point of interconnection and any required system modifications.

4.1 Cost Responsibility

The Project Developer shall also be responsible for all costs and expenses, direct or indirect, associated with interconnection, including monitoring, metering or control requirements, and protection of the Project. Costs associated with any modification to the Utility system made necessary as a result of the Project Developer's Project interconnected to the Utility system shall be at the expense of the Project Developer.

In general, the application fees should cover the cost of the initial screening. If the initial screening fails, then the Utility will provide an estimate for a supplemental review or impact study. Application fees range from \$100.00 to \$200.00 for Level 1. The fee for supplemental review is in the range of \$2,500.00 for Level 1.

For Level 2, the initial screening is in the range of \$500.00 and the cost of the impact study is determined based on the complexity of the project. Often smaller utilities will engage a consultant who provides a cost for the impact study which passed on to the customer. Some systems have a separate study referred to a facility study which is a detailed cost estimate of the system changes. Other utilities include this cost within the impact study.

Customers shall pay all costs and expenses, direct and indirect, associated with the interconnection, monitoring, special metering or control requirements, and protection of the Distributed Generation Facility. Costs associated with any modification to the Utility's System made necessary as a result of the Customer's Distributed Generation Facility Interconnected to the Utility's System shall be at the expense of the Customer.

5. Technical Requirements

All interconnections must comply with IEEE Std. 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems, and other applicable industry standards. Certified inverter-based systems must

demonstrate compliance with IEEE 1547-2018 through certification to applicable Underwriters Laboratories standards, including UL 1741, UL 1741SA, or UL 1741SB. Documentation of such certification shall be provided as part of the interconnection application and maintained as part of the Project records.

The Project Developer shall submit detailed technical information, including site plans, one-line diagrams, equipment specifications, and protection system details, as part of the interconnection application. The Utility may request additional information as necessary to evaluate system impacts.

Where required, isolation transformers shall comply with applicable ANSI standards, and their configuration must be acceptable to the Utility based on system characteristics and grounding considerations.

An isolation device capable of safely disconnecting the Project from the Utility system shall be installed at the Point of Common Coupling (i.e., electrical point of interconnection). This device must be accessible to the Utility at all times and must comply with applicable ANSI and IEEE standards.

Protective relaying systems shall be designed to detect abnormal conditions and disconnect the Project as required to protect both the Project and the Utility system. If the interconnection system is certified to meet IEEE 1547 requirements, additional relaying may be minimized; otherwise, protection for voltage, frequency, and fault conditions shall be required.

The Project must be designed to prevent energizing a de-energized Utility system and must account for Utility system operations such as automatic reclosing and sectionalizing.

A lockable, visible open, and externally accessible disconnect switch shall be installed by the Project Developer at a location approved by the Utility and located near the meter. The disconnect switch must provide a visible open break, be gang-operated, and be clearly marked with signage compliant with the National Electrical Code.

6. Testing, Inspection, and Commissioning

The Project Developer shall perform operational testing and provide written documentation demonstrating compliance with interconnection requirements prior to interconnection. The Utility may witness testing and conduct inspections to verify that protective equipment is installed and functioning.

Protective relaying systems and associated equipment shall be periodically tested and maintained in accordance with IEEE 1547 and manufacturer recommendations, and test results shall be made available to the Utility upon request.

Completion of testing and inspection does not authorize operation. Final approval for parallel operation is conditional upon issuance of Authorization to Operate by the Utility.

7. Operational Requirements

The Project shall be operated and maintained in a safe and prudent manner and in compliance with applicable laws, regulations, and Utility requirements.

The Utility reserves the right to disconnect the Project from its system at any time to maintain safe and reliable operations. Such disconnection may occur for reasons including, but not limited to, system emergencies,

hazardous conditions, maintenance or repair activities, equipment failures, failure to obtain Authorization to Operate, failure to properly maintain the facility, protection of Utility or third-party property, or when the facility adversely impacts system reliability or other Project Developers.

The Project shall not cause objectionable voltage fluctuations, flicker, or harmonic distortion, and the Project Developer shall be responsible for mitigating any such impacts identified by the Utility.

The Project Developer is responsible for maintaining all equipment in accordance with manufacturer specifications and industry standards.

The Project Developer is solely responsible for conducting and documenting periodic maintenance and testing on the generating equipment and its associated control, protective equipment, interrupting devices, and main isolation device per manufacturer recommendations. Project Developer must immediately correct any unacceptable voltage fluctuations, harmonics, overloads, or other disturbances that may adversely impact the Utility system or its Project Developers and provide suitable apparatus to prevent or cure such effects in future.

8. Access to Property

The Utility, its agents, and employees shall have the right of ingress and egress at all reasonable times to the property where the Project is located for the purpose of installing, operating, maintaining, inspecting, repairing, and removing interconnection facilities and metering equipment. Such access shall not unreasonably interfere with the use of the property by the Project Developer.

In emergency conditions, the Utility may access the property without prior notice to protect persons, equipment, or the electric system.

9. Metering and Communications

The Utility will own, operate, and maintain all required metering equipment required for billing and system monitoring. The Project Developer shall bear the cost of installing and maintaining the necessary metering infrastructure.

Depending on project size and operating mode, metering configurations may include single-direction, bi-directional, or separate production metering.

The Project Developer is responsible for providing and maintaining communication circuits required for telemetry, metering, and protection systems, including associated installation and operating costs.

The Utility shall establish the applicable billing framework for energy delivered to and received from the Project. Energy consumed by the Project from the Utility system ("Inflow") will be billed at the applicable retail rate. Energy delivered from the Project to the Utility system ("Outflow"), if permitted, will be credited in accordance with the Utility's established rate schedule or distributed generation program.

10. Disconnection and Utility Authority

The Utility reserves the right to disconnect or refuse to connect a Project if the Project fails to comply with technical requirements, disrupts Utility operations, or presents a safety hazard.

The Utility may also disconnect the Project to facilitate maintenance, construction, testing, or emergency operations on the electric system.

The Utility retains sole authority to disconnect or isolate the Project when necessary to protect personnel safety, system reliability, or equipment, or when the Project fails to comply with applicable requirements or operates without authorization.

11. Commercial and Legal Requirements

The Project Developer shall be responsible for all costs associated with interconnection, including studies, facilities, and system upgrades.

Separate agreements may govern the purchase or sale of energy between the Project Developer and the Utility, and such agreements are not addressed within this policy.

Each Party shall assume liability for its own facilities and operations and shall indemnify the other Party as provided under the interconnection agreement. Liability is generally limited to direct damages, and each Party is responsible for maintaining appropriate insurance coverage.

12. Reservation of Rights

The Utility reserves the right to modify or apply these requirements on a case-by-case basis as necessary to ensure safe and reliable operation of the electric system.

13. Appendices

This policy may be supplemented by appendices, which may include but are not limited to an Interconnection Application, technical data requirements, Interconnection Study Agreement, Interconnection and Operating Agreement, and Certificate of Completion.

APPENDIX A

LEVEL 1

APPLICATION

**VILLAGE OF PAW PAW
LEVEL 1 APPLICATION FOR
INTERCONNECTION OF GENERATION EQUIPMENT NOT MORE THAN 20 kW**

An application is a Complete Application when it provides all applicable and correct information required below. (Additional information to evaluate a request for Interconnection may be required pursuant to the application process after the application is deemed complete.)

Section 1 - Member Information (PLEASE PRINT)

Legal Name of Applicant (or, if an Individual, Individual's Name)

Name: _____

Phone #: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Facility Address (if different from above): _____

E-Mail Address: _____

Section 2 – General Information of Generator and Existing Electric Service

Generator Type (check all that apply): Solar _____ Battery _____ Wind _____ Other _____

Provide information on the existing electric system at the existing facility:

Electrical Panel Size: _____ Amperes

Service Type: _____ (single-phase or three phase)

Voltage: _____ Volts (120/240 volts, 120/208 volts, 277/480 volts, etc.)

Section 3 – Installation Timing Information

Proposed Install Date: _____ Proposed Interconnection Date: _____

Section 4 – Certifications

A. The system hardware is listed by Underwriters Laboratories to be in compliance with UL 1741.

Installer Representative: _____

Installer E-Mail: _____

Installer Company Name: _____

Phone #: _____

Installer Signed: _____ Date: _____

[illegible]

<u>Combined Total Rating of Components/System:</u>					

Section 9 – Location of Interconnection Equipment Relative to Existing Meter

Attach Site Map showing home/building with meter location, AC disconnect for new generator/inverter, and inverter location.

Section 10 – Additional Electrical Wiring Information

Attach a detailed block diagram or one-line diagram of the proposed interconnection. Indicate following items as applicable:

- Generator, battery, panels, inverter
- Protective equipment
- Lockable visible-break disconnect switch, and Utility electric meter

Section 11 – Inverter Settings

Inverters with UL 1741 SA designation will require, at time of install, a screen shot or report showing inverter settings. A stamped, or signed letter, by PE or licensed electrician, confirming these settings, will be required.

Section 12 – Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in the Interconnection Application is true and correct.

Signature of Applicant: _____

Date: _____

Section 13 – Utility’s signature signifies only receipt of the form

Signature of Utility Personnel: _____

Date: _____

APPENDIX B

LEVEL 2

APPLICATION

**VILLAGE OF PAW PAW
LEVEL 2 APPLICATION FOR
INTERCONNECTION OF GENERATION EQUIPMENT NOT MORE THAN 550 kW**

An application is a Complete Application when it provides all applicable and correct information required below. (Additional information to evaluate a request for Interconnection may be required pursuant to the application process after the application is deemed complete.)

Section 1 - Applicant Information (PLEASE PRINT)

Legal Name of Applicant (or, if an Individual, Individual's Name)

Name: _____ Phone #: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Facility Address (if different from above): _____

Section 2 – General Information of Generator and Existing Electric Service

Generator Type (check one): Solar _____ Battery _____ Wind _____ Other _____

Provide information on the existing electric system at the existing home or business:

Panel Size: _____ Amperes

Service Type: _____ (single-phase or three phase)

Voltage: _____ Volts (120/240 volts, 120/208 volts, 277/480 volts, etc.)

Section 3 – Installation Timing Information

Proposed Install Date: _____ Proposed Interconnection Date: _____

Section 4 – Certifications

A. The system hardware is listed by Underwriters Laboratories to be in compliance with UL 1741.

Installer Representative: _____ Installer E-Mail: _____

Installer Company Name: _____ Phone #: _____

Installer Signed: _____ Date: _____

B. The system will be installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code and meet all local permitting guidelines:

Signed (Licensed Electrician): _____ Date: _____

License #: _____ Phone #: _____

Mailing Address: _____

Section 5 – Application Fee

The application fee for Level 2 distributed generation resources is \$500.

Section 6 – Mode of Operation

How will the generation resource be used? Check all that apply:

- A. Offset energy use for the Location? Yes ☐ No ☐
- B. To export/sell power to the Utility? Yes ☐ No ☐
- C. Emergency Use? Yes ☐ No ☐

Section 7 – Location of Generator

For generators installed at locations with existing electric service:

Provide Existing Utility Account Number: _____

Section 8 – Characteristics of Generator:

_____ Synchronous _____ Induction _____ DC Generator or Solar with Inverter _____ Battery Storage with Inverter

Section 9 – List of Components

<u>Type of Components</u> (Generator, Panels, Battery System, Inverter, Combiner box, etc.)	<u>Manufacturer</u>	<u>Model Number</u>	<u>Number of Components</u>	<u>Total DC Power Rating of Components</u> (if applicable)	<u>Total AC Power Rating of Components</u> (if applicable)
<u>Combined Total Rating of Components/System:</u>					

Section 10 – Location of Interconnection Equipment Relative to Existing Meter

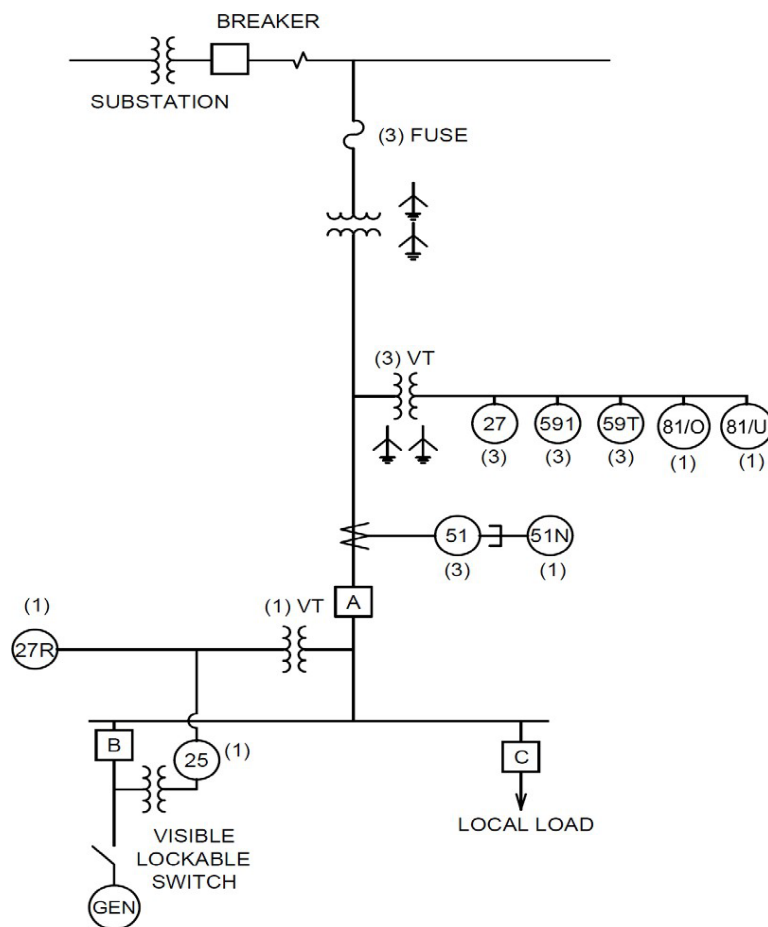
Provide a professional engineer (PE) stamped site plan showing proposed location of equipment relative to meter, including AC disconnect for new generator/inverter, and locations of generating equipment.

Section 11 – Additional Electrical Wiring Information

Attach a detailed block diagram or one-line diagram of the proposed interconnection. Indicate following items as applicable:

- Generator, battery, panels, inverter
- Protective equipment
- Lockable visible-break disconnect switch, and Utility electric meter

Below is an example one-line diagram:



Section 12 – Settings

Inverters with UL 1741 SA designation will require, at time of install, a screen shot or report showing inverter settings. A stamped, or signed letter, by PE or licensed electrician, confirming these settings, will be required.

Section 13 – Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in the Interconnection Application is true and correct.

Signature of Applicant: _____

Date: _____

Section 14 – Utility’s signature signifies only receipt of the form

Signature of Utility Personnel: _____

Date: _____

APPENDIX C

INTERCONNECTION

AGREEMENT

VILLAGE OF PAW PAW
INTERCONNECTION AGREEMENT
FOR PROJECTS UP TO 550 KW WITH CERTIFIED EQUIPMENT

This Interconnection Agreement ("Agreement") is entered into on (MONTH) (DAY), (YEAR), by _____ (the "Utility"), _____ (the "Interconnection Customer"), and (if applicable under Paragraph 6) _____ (the "Property Owner") with project number ____ assigned by Utility. Utility and Interconnection Customer are sometimes also referred to in this Agreement collectively as "Parties" or individually as "Party." The Interconnection Customer may be the "Project Developer" or "Applicant".

I. RECITALS

- A. Interconnection Customer is an electric service customer of Utility in good standing and has submitted a Generator Interconnection Application ("Application") to Utility.
- B. Interconnection Customer desires to interconnect a distributed energy resource (DER or Customer Facility) with a maximum capacity of 550 kilowatts ("kWac") or less utilizing a certified inverter pursuant to R 460.901a.(l) with Utility's electric distribution system and operate the DER in parallel with Utility's distribution system, under Utility's Interconnection Procedures for Level 1, 2, and 3 projects, as defined in the Michigan Public Service Commission's ("Commission") Interconnection and Distributed Generation Standards (the "Standards"), as applicable.
- C. For purposes of this Agreement, "interconnect" means establishing a connection between a non-utility DER and Utility's distribution system. "Operate in parallel" means the operation, for longer than 100 milliseconds, of a DER while connected to the energized distribution system that is connected to Utility's system. In all cases, terms shall have the meaning as defined in the Standards.
- D. Interconnection of the DER with Utility's distribution system is subject to this Agreement, the Application, the Interconnection Procedures, the standards and tariffs approved by the Utility, as applicable. Interconnection of the DER is also subject to local, county, and state requirements for applicable permits, inspections, and other requirements.
- E. This Agreement does not address any purchase or sale of electricity between Utility and Interconnection Customer, nor does it create any agency, partnership, joint venture, or other business arrangement between or among Utility, Interconnection Customer, and/or Property Owner.
- F. Pursuant to Michigan Administrative Code Rule 460.964 (3) the Interconnection Customer shall sign and return the interconnection agreement with payment, if applicable, within 20 business days of receiving the agreement. If the Interconnection Customer does not sign and return the interconnection agreement and payment, if applicable, within 20 business days, the Utility shall notify the Interconnection Customer of the missed deadline and grant an extension of 15 business days. If the Utility does not receive the signed Agreement and any applicable payment during the 15-business-day extension period, the Utility may consider the interconnection application withdrawn subject to Michigan Administrative Code Rule 460.964, subrule 3(b).

II. AGREEMENT

NOW THEREFORE, in consideration of the above recitals, the mutual covenants contained herein and for good and valuable consideration, the Parties agree as follows:

1. Description of DER

1.1 The DER must be built as described in: Description of Distributed Energy Resource; Interconnection Diagram; as applicable, in the Interconnection Facilities Scope of Construction; Utility Commissioning Testing; Inspection Checklist; Protection, Communication and Configuration Requirements and Settings; Additional Exceptions, Clarifications, and Special Conditions; and, according to the notice requirements herein. The DER may only be modified as permitted under Section 14 of this Agreement.

2. Interconnection Facilities

2.1 If it is necessary for Utility to install certain interconnection facilities ("Interconnection Facilities") and make certain system modifications in order to establish an interconnection between the DER and Utility's distribution system, the Interconnection Facilities and modifications shall be described to the Interconnection Customer in the Interconnection Facilities Scope of Construction.

3. Design Requirements, Testing, and Maintenance of DER

3.1 Interconnection Customer shall be responsible for the design and installation of the DER and obtaining and maintaining any required governmental authorizations and/or permits, which may include, but shall not be limited to, easements to clear trees and necessary rights-of-way for installation and maintenance of the Utility Interconnection Facilities.

3.2 Interconnection Customer shall, at its sole expense, install and properly maintain protective equipment and devices to protect its equipment and service, and the equipment and system of Utility, from damage, injury, or interruptions, and will assume any loss, liability, or damage to the DER caused by lack of or failure of such protection. Such protective equipment specifications and design shall be consistent with the applicable Interconnection Procedures. Prior to the DER operating in parallel with Utility distribution system, Interconnection Customer shall provide satisfactory evidence to Utility that it has met the Interconnection Procedures, including but not limited to the receipt of approval from the local building/electrical code inspector. The Utility's approval, or failure to approve, under this section shall in no way act as a waiver or otherwise relieve the Interconnection Customer of its obligations under this section.

3.3 At its own expense, Interconnection Customer shall perform operational testing. The Utility may, but is not required to, send qualified personnel to the DER to inspect the facility and observe the testing. Upon completion of such testing and inspection, and prior to interconnection, Interconnection Customer shall provide Utility with a written report explaining all test results, including a copy of the DER commissioning test report. The Utility required

commissioning testing and inspection checklist is in the Utility Commissioning Testing and Inspection Checklist, Appendix D (if applicable).

- 3.4 As required by Utility, Interconnection Customer shall test, at its own expense, protective equipment in accordance with manufacturer's specifications and Utility specifications, if available, unless no testing interval is provided, in which case testing shall occur every four years (unless an extension is agreed to by Utility) to verify the calibration indicated on the latest setting document issued by Utility. The results of such tests shall be provided to Utility in writing for review and approval. Utility may, at any time and at its sole expense, inspect and test the DER to verify that the required protective equipment is in service, properly maintained, and calibrated to provide the intended protection. This inspection may also include a review of Interconnection Customer's pertinent records. Inspection, testing and/or approval by Utility or the omission of any inspection, testing and/or approval by Utility pursuant to this Agreement shall not relieve the Interconnection Customer of any obligations or responsibility assumed under this Agreement.
- 3.5 Interconnection Customer shall operate and maintain the DER in a safe and prudent manner and in conformance with all applicable laws and regulations. Interconnection Customer shall obtain or maintain any governmental authorizations and permits required for construction and operation of the DER.
- 3.6 As described in the Protection, Communication and Configuration Requirements and Settings (if applicable), Interconnection Customer shall install and provision communications equipment, at its own expense, as specified by Utility. Interconnection Customer shall configure the communications system to Utility specification. The Interconnection Customer is responsible for maintaining the communications hardware and software as set forth by Utility. The Interconnection Customer shall install and maintain needed cyber and physical security as specified by Utility. Failure to meet these requirements will result in disconnecting the interconnection. Current requirements are provided in the Protection, Communication and Configuration Requirements and Settings (if applicable).
- 3.7 Interconnection Customer shall cooperate with Utility to regulate the voltage level at the Point of Delivery by controlling its DER in accordance with Utility's instructions. Such instructions shall include but not be limited to: (a) maintaining voltage or (b) delivering real and reactive power to the Point of Delivery at levels specified by Utility. Interconnection Customer shall cooperate with Utility to regulate the frequency by controlling the DER in accordance with Utility's instructions. Such instructions shall include, but not be limited to, frequency-droop curves. The instructions given by Utility shall be consistent with the normal practices adhered to by Utility with respect to its own DERs located on its system.
- 3.8 Installation, inspection, and calibration of protective equipment to trip the DER for under- or overvoltage and frequency operation shall be coordinated with Utility, so as not to degrade the

security of Utility's distribution system. Operating practices developed by Interconnection Customer which call for manual tripping of the DER for under-or over-voltage and frequency operation shall likewise be coordinated and be consistent with the voltage and frequency ride through provisions listed in the Utility interconnection procedures during abnormal system voltage and frequency events, and any successor and/or supplemental documents, which are incorporated herein by reference.

4. Parallel Operation of the Project

Parallel operation of the DER with the Utility's distribution system shall only begin after the following conditions have been satisfied and confirmed in writing by Utility to Interconnection Customer:

- 4.1 The Utility notified the Interconnection Customer that the commissioning test and inspection, where applicable, are accepted.
- 4.2 The Interconnection Customer has executed a standard level 1, 2, or 3 interconnection agreement and complied with all applicable parallel operation requirements as set forth in the Utility's interconnection procedures and this interconnection agreement.
- 4.3 The Interconnection Customer complied with all applicable local, state, and federal requirements.
- 4.4 The Utility received full payments for all outstanding bills.

5. Disconnection

Utility shall be entitled to disconnect the DER from Utility's distribution system, or otherwise refuse to connect the DER if any of the following conditions are present:

- 5.1 Failure of the Interconnection Customer to bring a DER into compliance pursuant to Michigan Administrative Code Rule 460.976(1).
- 5.2 Failure of the Interconnection Customer to pay costs of remedy pursuant to Michigan Administrative Code Rule 460.976(2).
- 5.3 Termination of interconnection by mutual agreement.
- 5.4 Distribution system emergency, but only for the time necessary to resolve the emergency. Routine maintenance, repairs, and modifications performed in a reasonable time and with prior notice to the Interconnection Customer.

- 5.5 Noncompliance with technical or contractual requirements in the interconnection agreement that could lead to degradation of distribution system reliability, Utility equipment, and/or electric customers' equipment.
- 5.6 Noncompliance with technical or contractual requirements in the interconnection agreement that presents a safety hazard.
- 5.7 Other material noncompliance with the interconnection agreement.
- 5.8 Operating in parallel without prior written authorization from the Utility as provided for in Michigan Admin Code Rule 460.968.
- 5.9 Utility may disconnect electric service, where applicable, pursuant to Michigan Admin Code Rule 460.136.

When reasonable and appropriate, the Utility will attempt to notify Interconnection Customer and coordinate its actions under this Paragraph with Interconnection Customer. This paragraph applies only to Utility actions with respect to DER. Utility shall promptly reconnect the DER to the Utility's distribution system as soon as the reason for disconnection has been remedied.

6. Access to Property

- 6.1 At its own expense, Interconnection Customer shall make the DER site available to Utility including obtaining from other entities all necessary rights to provide Utility with the required access. The site shall be free from hazards and shall be adequate for the operation and construction of the Interconnection Facilities. Utility, its agents, and employees, shall have full right and authority of ingress and egress at all reasonable times on and across the property at which the DER is located, for the purpose of installing, operating, maintaining, inspecting, replacing, repairing, and removing the Interconnection Facilities. The right of ingress and egress shall not unreasonably interfere with Interconnection Customer's or (if different) Property Owner's use of the property and does not include the right to enter applicant's residence or other enclosed structure on the property where the DER is located with the residence or other enclosed structure, except on reasonable notice where the Interconnection Facilities are located within the residence or other enclosed structure.
- 6.2 Utility may enter the property on which the DER is located to inspect, at reasonable hours, Interconnection Customer's protective devices and read or test meters. Utility will use reasonable efforts to provide Interconnection Customer or Property Owner, if applicable, at least 24 hours of notice prior to entering said property, in order to afford Interconnection Customer or Property Owner the opportunity to remove any locks or other encumbrances to entry; provided, however, that Utility may enter the property without notice (removing, at Interconnection Customer's expense, any lock or other encumbrance to entry) and disconnect

the Interconnection Facilities if Utility believes that disconnection is necessary to address a hazardous condition and/or to protect persons, Utility's facilities, or the property of others from damage or interference caused by the DER.

- 6.3 By executing this Agreement, Property Owner consents to and agrees to provide access to its property, including ingress and egress, on which the DER is located to Utility as described in this section, but does not assume or guarantee other performance obligations of the Interconnection Customer under this Agreement. If Utility cannot access the property, customer is responsible for providing appropriate access at the cost of the customer.

7. Liability and Indemnity

- 7.1 Except as set forth in Section 3.2 above, as between the Parties, unless caused by the sole negligence or intentional wrongdoing of the other Party, each Party to this Agreement shall at all times assume all liability for, any and all damages, losses, claims, demands, suits, recoveries, costs, legal fees, and expenses to the extent caused by its directors, officers, employees, and agents: (a) for injury to or death of any person or persons whomsoever occurring on its own system, and/or (b) for any loss, destruction of or damage to any property of third persons, firms, corporations or other entities occurring on its own system, including environmental harm or damage arising out of or resulting from, either directly or indirectly, the Interconnection Facilities or the DER, or arising out of or resulting from, either directly or indirectly, any electric energy furnished to it hereunder after such energy has been delivered to it by such other Party. The provisions of this Section 7 shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.
- 7.2 Notwithstanding anything in this Section, or any other provision of this Agreement to the contrary, any liability of a Party to the other Party shall be limited to direct actual damages, and all other damages at law or in equity are hereby waived. Under no circumstances shall a Party be liable to the other Party, whether in tort, contract or other basis in law or equity for any special, indirect, punitive, exemplary or consequential damages, including lost profits.
- 7.3 The obligations and limits on liability in this Section 7 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement, with respect to any event or condition giving rise to an obligation that occurred prior to such expiration or termination.
- 7.4 Nothing in this Section 7 waives or limits, or shall be construed to waive or limit, the governmental immunity of a Party.
- 7.5 Nothing in this Section 7 shall imply or be construed to imply indemnification of any Party by the State of Michigan, its department, and agencies, or by other governmental customers that are restricted from entering into indemnification provisions by law.

8. Insurance

For Level 3 and greater projects, Interconnection Customer shall obtain and continuously maintain throughout the term of this Agreement General Liability insurance written on an occurrence form, or other form acceptable to the Utility, and covering bodily injury and property damage liability with a per occurrence amount of at least:

<u>Interconnection Level</u>	<u>Minimum Limit</u>
1 & 2	Not Applicable
3	\$1,000,000

Pursuant to Michigan Admin Code Rule 460.986, an Applicant interconnecting a Level 1 or 2 DER to the distribution system of the Utility is not required by the Utility to obtain any additional liability insurance. For a Level 3 DER, the Applicant shall obtain and maintain general liability insurance of a minimum of \$1,000,000 and include Utility as an additional insured. Pursuant to Michigan Administrative Code Rule 460.986(6), for Level 3 projects, the electric Utility may describe in its interconnection procedures required terms and conditions that must be specified in the general liability insurance.

For Level 3 DERs, evidence of insurance coverage on a certificate of insurance shall be provided to the Utility when requested by the Utility. Interconnection Customer shall immediately provide the Utility written notice if the policy is cancelled or substantial changes are made that affect the additional insured. At the Utility's request, Interconnection Customer shall provide a copy of the policy to the Utility.

9. Subcontractors

Either Party may contract with a subcontractor to perform its obligations under this Agreement and shall incorporate the obligations of this Agreement into its respective subcontracts, agreements, and purchase orders. Each Party shall remain liable to the other Party for the performance of such subcontractor under this Agreement subject to the provisions of Section 7.

10. Force Majeure

As set forth in Michigan Admin Code Rule 460.901a(ee), Force majeure event means an 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; an emergency order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities; or another cause beyond a party's control. A force majeure event does not include an act of negligence or intentional wrongdoing.

11. Breach and Default

A breach of this Agreement ("Breach") shall occur upon the failure of a Party to perform or observe any material term or condition of this Agreement. Upon a Breach by one Party, the non-breaching Party shall give written notice of such Breach to the breaching Party. The Party in Breach shall have thirty (30) days from the date of the written notice to cure the Breach. If a Breach is not cured within the thirty (30) day period provided for herein, the party in Breach shall be deemed in default ("Default"). If the Breach is not cured within 30 business days, the Utility, at its sole discretion, may apply a remedy and bill the Interconnection Customer. The Interconnection Customer shall pay this bill within 5 business days. The non-defaulting Party shall then have the right to terminate this Agreement by written notice, shall be relieved of any further obligations hereunder, and may pursue any and all remedies available to it at law or in equity.

12. Retirement

Upon termination or cancellation of this Agreement or at such time after any of the Utility Interconnection Facilities described herein are no longer required, the Parties shall mutually agree upon the retirement of the Interconnection Facilities, which may include without limitation (i) dismantling, demolition, and removal of equipment, facilities, and structures, (ii) security, (iii) maintenance and (iv) disposing of debris. The cost of such removal shall be borne by the Utility.

13. Governing Law

This Agreement shall be interpreted, governed, and construed under the laws of Michigan.

14. Amendment, Modification or Waiver

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

14.2 Pursuant to Michigan Administrative Code Rule 460.984, Modifications to the DER, after the execution of this Agreement, the Interconnection Customer shall notify the Utility of any plans to modify the DER. The Utility shall review the proposed modification to determine if the modification is considered a material modification. If the Utility determines that the modification is a material modification, the Utility shall notify the Interconnection Customer, in writing of its determination and the Interconnection Customer shall submit a new application and application fee along with all supporting materials that are reasonably requested by the Utility. The Interconnection Customer may not begin any material modification to the DER until an interconnection agreement incorporating the material modification is fully executed.

15. Notices

Any notice required under this Agreement shall be in writing and mailed, personally delivered, or electronically mailed to the Party at the address below. Written notice is effective within three (3) business days of depositing the notice in the United States mail, first class postage prepaid. Personal notice or electronic mail notice is effective upon delivery, provided it is received by 11:59:59 p.m. local time at the recipient's business location on a business day (or otherwise, on the next business day). Written notice of any address changes shall be provided. Utility may consider changes of address in other Utility systems of record (e.g., Interconnection Customer billing address) as notice of address change under this Agreement. All written notices shall refer to the Interconnection Customer's Utility account number, as provided in Section 1 of this Agreement. All written notices shall be directed as follows:

Notice to Utility:

Utility Name: _____

Utility Address: _____

Utility Phone Number: _____

Utility Email: _____

Notice to Interconnection Customer:

Interconnection Customer Name: _____

Interconnection Customer Address: _____

Interconnection Customer Phone Number: _____

Interconnection Customer Email: _____

Notice to Property Owner (if different than Interconnection Customer):

Property Owner Name: _____

Property Owner Address: _____

Property Owner Phone Number: _____

Property Owner Email: _____

16. Term of Agreement and Termination

This Agreement shall become effective upon execution by all Parties and, if applicable, the Property Owner, and it shall continue in full force and effect until terminated upon thirty (30) days' prior notice by the Interconnection Customer, upon Default of either Party as set forth in Section 11, or

upon mutual agreement of the Parties. The Utility may terminate the agreement on reasonable notice for reasons consistent with existing law, regulations, and tariffs. In addition, see Section 19 regarding transfers of ownership in the DER.

17. Entire Agreement and Amendments

This Agreement and the Utility Interconnection Procedures shall constitute the entire understanding between the Parties with respect to the subject matter hereof, supersede any and all prior discussions and agreements between the Parties with respect to the subject matter hereof and bind and inure to the benefit of the Parties, their successors, and permitted assigns. No amendments or changes to this Agreement shall be binding unless made in writing and duly executed by both Parties.

18. No Third-Party Beneficiary

The terms and provisions of this Agreement are intended solely for the benefit of each Party, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other person or entity.

19. Assignment and Binding Effect

This Agreement shall not be assigned by a Party without the prior written consent of the other Party, which shall not be unreasonably withheld. Any attempt to do so will be void. Subject to the preceding, this Agreement is binding upon, inures to the benefit of, and is enforceable by the Parties and their respective successors and assigns. Interconnection Customer agrees to notify Utility in writing upon the sale or transfer of the Customer Facility. This Agreement shall terminate upon such notice (or upon Utility notifying Interconnection Customer that Utility has identified a change in ownership of the Customer Facility) unless Utility consents to this Agreement remaining in force until an equivalent agreement in a form acceptable to both parties is signed.

20. Severability

If any provision of this Agreement is determined to be partially or wholly invalid, illegal, or unenforceable, then such provision shall be deemed to be modified or restricted to the extent necessary to make such provision valid, binding, and enforceable; or, if such provision cannot be modified or restricted in a manner so as to make such provision valid, binding or enforceable, then such provision shall be deemed to be excised from this Agreement and the validity, binding effect, and enforceability of the remaining provisions of this Agreement shall not be affected or impaired in any manner.

21. Effective Date

This Agreement is effective as of the later (or latest) of the dates set forth below.

22. Counterparts and Electronic Documents

This Agreement may be executed and delivered in counterparts, including by a facsimile or an electronic transmission thereof, each of which shall be deemed an original. Any document generated by the parties with respect to this Agreement, including this Agreement, may be imaged and stored electronically and introduced as evidence in any proceeding as if original business records. Neither party will object to the admissibility of such images as evidence in any proceeding on account of having been stored electronically.

23. Applicable Electric Rate Schedules

This Agreement is subject to the General Rules and Provisions as set forth in the Utility's Electric Rate Schedules and other Schedules that may apply. Such Schedules may be revised from time to time upon approval of the Paw Paw Village Council. Any conflict between this Agreement and any provisions of the Utility's approved rate schedules shall be resolved in favor of such Schedule provisions. Terms defined in the Utility's rate schedules shall have the same meaning when used in this Agreement unless the usage clearly indicates otherwise.

24. Attach the following Exhibits as needed for the Project:

Exhibit 1 – Description of Distributed Energy Resource

Exhibit 2 – Interconnection Site Diagram

Exhibit 3 – Interconnection Facilities Scope of Construction

Exhibit 4 – Utility Commissioning Testing and Inspection Checklist (If Applicable)

Exhibit 5 – Protection, Communication and Configuration Requirements and Settings (If Applicable)

Exhibit 6 - Additional Exceptions, Clarifications, and Special Conditions

UTILITY

By: _____ (Duly Authorized Signature)

(Print or Type Name)

Title: _____

Date: _____

INTERCONNECTION CUSTOMER

By: _____ (Duly Authorized Signature)

(Print or Type Name)

Title: _____

Date: _____

PROPERTY OWNER, if applicable

By: _____ (Duly Authorized Signature)

(Print or Type Name)

Title: _____

Date: _____

APPENDIX D

**INTERCONNECTION
CHECKLIST**

Village of Paw Paw

Interconnection Checklist

Step 1 — Submit Application

- ☐ Complete and submit Interconnection Application
- ☐ Include all required technical documents
- ☐ Submit applicable application fee
- ☐ Send application and fee to:

Director of Public Services
Village of Paw Paw, Department of Public Services
110 Harry L. Bush Blvd., P.O. Box 179
Paw Paw, MI 49079

Step 2 — Utility Review

- ☐ Utility reviews application for completeness
- ☐ Utility performs engineering review or study (if required)
- ☐ Utility provides conditional/contingent interconnection approval

Step 3 — Agreements

- ☐ Execute Interconnection Agreement
- ☐ Execute Operating Agreement (if required)
- ☐ Execute Power Purchase Agreement (for export/flow-back systems, if applicable)

Step 4 — Permitting & Approvals

- ☐ Obtain electrical/building permits from local authority.
- ☐ Obtain zoning approvals (if required)

Step 5 — Installation

- ☐ Complete installation of generating facility

Step 6 — Inspection & Metering

- ☐ Obtain required inspections (electrical/building authority)
- ☐ Utility installs or enables required metering equipment
- ☐ Complete any required testing or commissioning

Step 7 — Final Documentation

- ☐ Submit **Certificate of Completion** to the Utility
- ☐ Provide any required test results or verification documents

Step 8 — Authorization to Operate - Do not operate in parallel until ATO is issued

- ☐ Receive **written authorization to operate** from the Utility

Step 9 — Begin Operation

- ☐ Begin generating energy after receiving Utility approval
- ☐ Notify Utility before making any future system modifications

APPENDIX E

CERTIFICATE OF COMPLETION



Village of Paw Paw

Certificate of Completion

Interconnection Project Developer

Name: _____

Utility Account #: _____

Address: _____

City, State, ZIP: _____

Phone: _____

Email or other contact information: _____

Licensed Electrician

Name: _____

Address: _____

City, State, ZIP: _____

Phone: _____

Email or other contact information: _____

MI License #: _____

Inspection

Completed by local electrical wiring inspector or attach a signed electrical inspection.

The Project has been installed and inspected in compliance with the local electrical inspecting authority having jurisdiction.

Inspector's Signature: _____

Inspector's Name (please print): _____

Date: _____