



Distributed Energy Resource (DER) Interconnection Study Agreement

THIS AGREEMENT is made and entered into this _____ day of _____ 20____ by and between _____ a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer"), and the City of Sturgis, a Municipal corporation existing under the laws of the State of Michigan, ("City"). Interconnection Customer and City each may be referred to as a "Party", or collectively as the "Parties".

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Distributed Energy Resource (DER), or generating capacity addition to an existing DER, consistent with the Interconnection Application Form submitted by the Interconnection Customer, signed and dated on _____, 20____; and,

WHEREAS, the Interconnection Customer desires to interconnect the DER with the City's electric distribution system; and,

WHEREAS, the Interconnection Customer has requested the City to perform a DER Interconnection Study which includes: 1) a system impact study to assess the impact of interconnecting the DER with the City's electric distribution system; and, 2) a subsequent facility study to identify the necessary distribution system modifications, and associated costs, required to accommodate the interconnection.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1. The Interconnection Customer elects and the City shall cause to be performed a DER Interconnection Study consistent with industry standards and good utility practices.
2. The DER Interconnection Study will be based upon the technical information within the Interconnection Application provided by the Interconnection Customer. The City reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary and consistent with industry standards and good utility practices during the course of the DER Interconnection Study.
3. The DER Interconnection Study, as necessary, may consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker analysis, protection and set point coordination analysis, and grounding reviews. The study shall state the assumptions upon which it is based, state the results of the analyses and identify the necessary distribution system modifications, and associated costs, required to accommodate the interconnection. The costs identified in the study are non-binding good faith estimates.
4. If the City uses a queuing procedure for sorting or prioritizing DER interconnection projects and their associated cost responsibilities for any required distribution system modifications, the DER Interconnection Study shall consider all DER that, on the date the study is commenced:
 - a. Are directly interconnected with the City's electric distribution system; and,

- b. Have a pending higher queued Interconnection Application to interconnect with the City's electric distribution system.
5. The City shall provide the results of the DER Interconnection Study to the Interconnection Customer in the form of a formal report sealed by a Professional Engineer licensed by the State of Michigan.
6. **Deposit.** A deposit equal to the good faith estimated cost of a DER Interconnection Study shall be required from the Interconnection Customer when the signed Agreement is provided to the City. If the deposit exceeds the study costs, the City shall refund such excess within 20 business days of receiving the final study invoice without interest. Any study costs that exceed the deposit will be invoiced to the Interconnection Customer within 20 business days after the study is delivered. The Interconnection Customer must pay any study costs the exceed the deposit without interest within 20 business days of receipt of the invoice.
7. **Governing Laws.** This Agreement shall be interpreted, governed, and construed under the laws of the State of Michigan.
8. **Amendment.** The Parties may amend this Agreement by a written instrument duly executed by both Parties.
9. **No Third-Party Beneficiaries.** This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.
10. **Waiver.** The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the City. Any waiver of this Agreement shall, if requested, be provided in writing.

11. **Subcontractors.** Nothing in this Agreement shall prevent either Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain liable to the other Party for the performance of such subcontractor.

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the City be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

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

12. **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 30 days from the date of the written notice to cure the Breach. If a Breach is not cured within the 30-day period provided for herein, the Party in Breach shall be deemed in default (“Default”). 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.
13. **Assignment and Binding Effect.** This Agreement shall not be assigned by a Party without the prior written consent of the other Party. Any attempt to do so will be void. Subject to the proceeding, this agreement is binding upon, inures to the benefits of, and is enforceable by the Parties and their respective successors and assigns. The Interconnection Customer agrees to notify the City in writing upon the sale or transfer of the DER facilities. This Agreement shall terminate upon such notice unless the City consents to an assignment.
14. **Terms of Agreement and Termination.** This Agreement shall become effective upon execution by all Parties and it shall continue in full force and effect until terminated upon thirty (30) days’ prior notice by either Party if the Agreement is terminated: (1) pursuant to Section 12, (2) upon mutual agreement of the Parties, or (3) upon a change in ownership of the DER facility, absent a valid assignment under Section 13. In the event of termination, the Interconnection Customer shall pay City for all DER Interconnection Study costs rendered to the date of termination.
15. **Severability.** If any 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.
16. **Notices.** Any notice required under this Agreement shall be in writing and mailed, emailed, or personally delivered to the Party at the address below. Personal notices are effective upon delivery, or within 3 business days of depositing the notice in the United States mail with first class postage. Written notice of any address changes shall be provided. All written notices shall be directed as follows:

Notice to City
City of Sturgis
Attn: Electric Superintendent
130 N. Nottawa
Sturgis, MI 49091
Tel. (269) 651-2321

Notice to Interconnection Customer

Attn: _____

Tel. _____

17. **Entire Agreement.** This Agreement supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof and constitutes the entire agreement between the Parties hereto.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

City of Sturgis

Signature: _____ Date: _____

Printed Name: _____

Interconnection Customer

Signature: _____ Date: _____

(Authorized Agent of the Legal Entity)

Printed Name: _____