

TOWN OF LYONS, COLORADO
CUSTOMER-OWNED GENERATION INTERCONNECTION AGREEMENT

This Customer-Owned Generation Agreement (the "Agreement") is entered into by and between the Town of Lyons, Colorado (the "Town"), and _____ (the "Customer"), whose address is _____, Lyons, Colorado 80540 (collectively, the "Parties").

Recitals

WHEREAS, the Town's Electric Department (the "Department") is a publicly owned electric utility engaged in the retail sale of electricity in the state of Colorado; and

WHEREAS, as of November 1, 2020 the Town will no longer guarantee grandfathering in new customers to the existing Town Net Metering and rate structures. The Town may eliminate Net Metering and significantly change the current rate structure eliminating the subsidies for the CORF; and

WHEREAS, pursuant to Section 7.28 of the Town's Municipal Code, the Department has established a program through which an owner of a Customer-Owned Generation Facility ("COGF") can receive credits against future electric service charges (the "CORG or the CONRG Program"); and

WHEREAS, the Customer owns or intends to install, own and operate a COGF and desires to participate in the CORG or the CONRG Program and interconnect with the Town's electrical system.

Definitions

"Commission" means the Public Utilities Commission of the State of Colorado.

"Customer Owned Generation Facility" (COGF) means the Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Facilities not owned by the Interconnection Customer, as schematically depicted on Attachment A, attached hereto and incorporated herein by this reference. A Customer Owned Residential Generation Facility shall not exceed ten (10) kW, a Customer Owned Non-Residential Generation Facility shall not exceed twenty-five (25) kW.

"Department" shall mean the Town of Lyons Electric Department and any employee, agent, representative or contractor acting on the Department's behalf.

"Electric Rates" means the Department's electric rates as in effect and may be changed from time-to-time.

“Interconnection Facilities” include the Department’s Interconnection Facilities and the Customer’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the COGF and the Point of Interconnection, including any modification, additions, or upgrades that are necessary to physically and electrically interconnect the COGF to the Department’s System. Interconnection Facilities are sole-use facilities and shall not include Distribution Upgrades.

“Point of Interconnection” (POI) means the point at which the Customer’s Interconnection Facilities connect with the Department’s System. The location of the Point of Interconnection will be determined by the Department in accordance with standard industry practice or as individual circumstances may dictate.

“System” means the facilities owned, controlled, or operated by the Department that are used to provide electric service.

Agreement

NOW, THEREFORE, in consideration of the covenants and promises herein, the Parties mutually agree as follows:

1. SCOPE OF AGREEMENT

This Agreement governs the terms and conditions under which the Customer’s COGF Facility will interconnect with, and operate in parallel with, the Town’s electrical distribution system.

2. PARALLEL OPERATION

The Customer shall not commence parallel operation of the generating facility until written approval of the Interconnection Facilities has been given by the Town, which approval shall not be unreasonably withheld. The Town shall have the right to have representatives present at the initial testing of the Customer’s protective apparatus.

3. DESIGN, CONSTRUCTION, OPERATION

The Customer is responsible for design, construction, installation, operation, maintenance, and replacement or repair of the COG System and the Customer’s Interconnection Facility. Customer shall also install, operate, and maintain the COGF and Interconnection Facility in a safe manner in accordance with the rules for safety and reliability set forth in the National Electrical Code, rules and regulations of the Commission, other applicable local, state, and federal codes, and prudent electrical practices.

4. DESIGN REVIEW

Customer shall submit to the Department an electrical one-line diagram and a relaying and metering one-line diagram prior to completion of detailed designs, unless the Customer is installing a package system that is pre-certified to IEEE 1547.1 and UL 1741 standards.

5. INSPECTION AND TESTING

Prior to parallel operation of the COGF, the Department may inspect the COGF for compliance with industry standards, rules set forth in the agreement, and Town of Lyons Ordinance 923. The Department's inspection may include a witness test and the Department may schedule appropriate metering replacement, if necessary. If the witness test is not satisfactory in the sole judgment of the Department, the Department has the right to disconnect the CORF. The Customer shall have no right to operate in parallel until a witness test has been performed, or previously waived in writing by the Department.

6. COMMISSIONING TESTS

Commissioning tests of the Customer's installed Generation System shall be performed pursuant to applicable codes and standards, including IEEE 1547.1. The Department must be given at least five (5) business day's written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

7. CONFIDENTIALITY

Any Customer who wants design and operating specifications, metering data or other information submitted to the Town to be kept confidential may clearly label the documents as such. In the event the Town receives a request under the Colorado Open Records Act, C.R.S. § 24-72-201, et seq., that seeks disclosure of any information labeled as confidential by the Customer, the Town shall make a determination as to whether the documents must be disclosed pursuant to CORA. In addition, the Town agrees to notify the Customer promptly of the receipt of the request so that the Customer can exercise its right to oppose the request.

8. NO DEPARTMENT WARRANTY OF COGF

Any approval or acceptance by the Department of Customer's designs, analyses, operating and maintenance procedures, instructions, drawings, specifications, and installation shall not be construed as confirming or endorsing the design or operation of the COGF or as a warranty of its safety, durability, reliability, or fitness for the purpose intended. The Department shall not, by reason of such review or failure to review, be responsible or liable for the COGF in any manner, including, but not limited to, the strength, details of design, adequacy, safety, capacity, or fitness for the purpose intended.

9. FUTURE DESIGN CHANGES

No changes to the COGF Interconnection Facility Equipment shall be made without the prior written approval of the Department. If changes are made without the Department's written approval, the Department may, at its sole discretion and upon reasonable notice as provided in the Town's disconnection policies, disconnect the COGF from the Department's System and terminate this Agreement.

10. INTERCONNECTION COSTS

The Town, when needed, will estimate the costs, including overheads, for the purchase and construction of necessary system upgrades to its distribution system and will provide a detailed itemization of costs. The Customer agrees to pay the costs upon receipt of the Town's invoice within the timeframe indicated on the invoice.

11. INTERRUPTION OR REDUCTION OF DELIVERIES

The Town may require the Customer to interrupt or reduce deliveries and/or automatically isolate the COGF from the electrical system when the Town determines, in its sole discretion, that curtailment, interruption or reduction is necessary because of personnel safety, emergencies, force majeure or compliance with good utility practices.

12. ADVERSE OPERATING EFFECTS

The interconnection of the Customer's COGF shall not reduce the reliability and quality of the distribution system. This includes, but is not limited to high levels of harmonics, abnormal voltage fluctuations and excessive frequency deviations. The Town shall notify the Customer as soon as practicable if, based on good utility practice, operation of the COGF may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the COGF could cause damage to the Town's distribution system. If, after notice, the Customer fails to remedy the adverse operating effect within a reasonable time, the Town may disconnect the COGF. The Town shall provide the Customer with notice of such disconnection as provided in the Town's disconnection policies.

13. ACCESS TO PREMISES

The Town shall have access to the Customer's premises or property as is reasonably necessary to access, maintain, monitor, repair or replace equipment and infrastructure associated with the Town's electrical distribution system.

14. INDEMNITY AND LIABILITY

The Customer shall at all times indemnify, defend, and hold the Town and its officers, employees, agents, and representatives harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Customer's action or failure to meet its obligations under this Agreement, except in cases of gross negligence or intentional wrongdoing by the Town.

15. CONSEQUENTIAL DAMAGES

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a party may be liable to the other party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

16. GOVERNING LAW

This agreement shall be interpreted and governed under the laws of the State of Colorado.

17. DOCUMENTS

This Agreement includes the following documents, which are attached and incorporated by reference:

- a. Application for interconnection;
- b. Net metering service schedule; and
- c. Certificate of completion.

18. NOTICES

All written notices shall be directed as follows:

Town: **Town of Lyons**
432 5th AVE.
LYONS, CO 80540

THE CUSTOMER: Name _____
Address _____
City _____

19. REIMBURSEMENT RATE

The reimbursement rate for excess energy production for a particular twelve-month calendar/budget year will be established January first of each year based on previous years calculated customer-owned generation (COG) rate.

20. TERM OF AGREEMENT

This Agreement shall be in effect when signed by the Customer and the Town and shall remain in effect thereafter month to month unless terminated by either Party on thirty (30) days' prior written notice and in accordance with the service policies. The Customer's permission to operate the COGF pursuant to this Agreement shall also terminate in the event the Town discontinues the CORG or CONRG Program.

21. RETURN ON INVESTMENT

The Town may eliminate the current Net Metering and change its rate structure such that any planned return on investment may not be achieved. After November 1, 2020, no new Customers will be considered for grandfathering. Previous customers may be considered for some level of grandfathering. As a public utility Lyons is not required to follow Commission policies. For example, the Town may change Net Metering to hourly effectively making any excess generated electricity reimbursable at the COG rate instead of being netted out for the year and or the Town may change the rate structure significantly increasing electric rates during evening peak rates and greatly lower rates during non-peak hours such as during the noon solar peak hours. These changes could greatly reduce the return on investment of the COGF.

IN WITNESS WHEREOF, the Parties hereto have caused two originals of the Agreement to be executed by their duly authorized representatives.

CUSTOMER

TOWN OF LYONS

Signature

Signature

Print Name

Print Name

Title

Director of Utilities

Title

Date

Date