

MINUTES OF REGULAR MEETING OF DIRECTORS
May 31, 2011

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, May 31, 2011, at the Steeleville office. The meeting was called to order at 8:30 a.m. with the President and Secretary present.

Present for the **May 31, 2011**, meeting:

Paul Pyatt, President	Allen Haake	James Riddle, EVP/GM
Raymond Mulholland, Vice President	Paul Hicks	M. Shane Hermetz, Asst Mgr
Kevin Liefer, Sec-Treas	Ken Jarrett	Brenda Rapp, Staff
Randall Campbell	Gilbert Kroening	Art Pontow, Staff
Larry Ebers	Michael Twomey, Attorney	

The consent agenda, consisting of the consideration of minutes of the board meeting held April 26, 2011, the April treasurer's report, capital credit estate refunds (\$2,372.73), the AIEC report, the safety report and the outage report, was approved by a motion from Mr. Mulholland, seconded by Mr. Kroening. Motion carried. The list of checks for April was pulled from the consent agenda as there were several questions. After discussion, on motion by Mr. Jarrett, seconded by Mr. Haake, the list of checks written for the month of April was approved as presented. Motion carried.

SIPC DIRECTOR REPORTS: The SIPC reports were given by Mr. Liefer, Mr. Mulholland, Mr. Haake, and Mr. Riddle. On motion of Mr. Campbell, seconded by Mr. Ebers, the SIPC reports were approved. Motion carried.

MAJOR CAPITAL PROJECTS: The Union Hill Road relocation of 17 poles has been completed. The upgrades inside Carterville Substation are finished, but due to wet ground, the work outside the sub has been held up. Work on the SI Airport Substation is about 3-4 weeks behind schedule due to ground conditions. Since the April storms, the rebuild of the Pomona line has been on hold. Walkers Bluff had some flooding issues, which redefined how we will accomplish our work on the property. The engineering has been completed on 2 subdivision projects; we are waiting on the developer for both projects. Engineering is in progress for pole relocation on Boskydell Road. It is not a big project for us, but will be for SIPC. We have only received one bid on a new phone system and that being from CTS, but their bid offered three options. One additional provider will be contacted to see if there is an interest in bidding. If not, there were no objections to move forward with only one bid. After discussion on the radio project, Mr. Kroening made a motion, seconded by Mr. Jarrett, to reallocate approximately \$43,000 (earmarked for a security system and an additional entrance/exit at Steeleville) from the 2011 budget for deployment of radio equipment at Baldwin, Sparta and Lenzburg Substations. This move would complete the radio project. At this time we have no communication to the substations at Cutler or the World Shooting Complex.

FINANCIAL REPORTS: Mr. Pontow presented the financials for the month of April. Margins were \$608,611, which put YTD at \$1,757,212. Revenue YTD is up .6% compared to last April and YTD kWh sales are up 1.5%. The variance with expenses is attributable to the storms. Other expenses are on target. April power costs were higher than budgeted, putting YTD power costs over budget as well.

MANAGER'S REPORT: Mr. Riddle presented the Manager's report adding to the April operating reports. The completed Form 990 document was emailed to each director for review and a printed copy was passed around at the meeting before its submission to the IRS. New services on the Form 7 have been corrected. After reviewing the 2011 goals, it was noted that amending/updating the bylaws will be a major issue and more discussion is needed before changes will be introduced at an annual meeting. This update could be a several year process. Discussions are ongoing with Citizens Electric about options for Kaskaskia Island. A service agreement or a mutual aid proposal may be the first option for consideration. The Nominating Committee met May 10 and nominated Larry Ebers, Gilbert Kroening, and Ray Mulholland as directors for a three year term to be voted on at this year's annual meeting. A FEMA application will be submitted for damages from the recent storms and flooding. Our attorney did file a response to the ICC complaint filing by Ameren due to our serving Southern Precision Sand; thus, the next hearing is in July. We are still working to get a signed lease agreement with SIAA for two acres of land in the vicinity of our new substation, which is currently under construction. We are working with IDNR on clearing the preserve areas. The 2011 strategic planning meeting has been set for Tuesday, August 23. On a motion of Mr. Mulholland, seconded by Mr. Hicks, the manager's report was approved. Motion carried.

CAPITAL CREDITS: Mr. Pontow explained his calculations, which were included in board packets, on the cost of borrowing funds to refund capital credits. Capital credit allocations for 2010 will be noted on the June electric bill for current members and a notice will be mailed out to the last address on file for members in 2010 that left the system. We expect to get a lot of that mail returned as undeliverable due to people moving off the system.

POLICY REVIEW:

- ❖ *Policy 509 Interconnection Policy for Qualified Cogeneration Facilities and Small Power Producers*-Mr. Campbell made a motion, seconded by Mr. Hicks, to amend Policy 509 and Appendix B as recommended. Motion carried. See attached Policy 509 with Appendix B.

STANDING RESOLUTION FOR VOTING DELEGATES: Mr. Haake made a motion, seconded by Mr. Jarrett, that named the president as the voting delegate and the vice-president as the alternate delegate for all meetings, unless either of the two is unavailable. Then alternates will be named if/when needed. Motion carried.

SAFETY, REGULATORY & ENVIRONMENTAL PROFESSIONAL SERVICES: Jim Nevel retired as Manager of Regulatory Compliance from the AIEC; however, he is very knowledgeable in his field and is now involved in offering his services on a consulting basis. The eight cooperatives in the southern group have contracted with Jim Nevel Safety Services to provide consulting services, when requested by the Cooperative (s), for safety, regulatory and environmental plans, policies and training programs. Mr. Haake made a motion, seconded by Mr. Jarrett, authorizing Egyptian Electric's participation in this agreement. Motion carried.

AUDIT BID: Three requests were sent out for audit bids and we received three bids. Dreyer & Kelso from Kansas submitted a bid of \$9400 plus meals and per diem. Bennett & Middendorf of Quincy gave a bid of \$10,750. Kerber Eck & Braeckel's bid was \$10,000 with a maximum increase of \$250/year. The low bid did not offer the same depth audit as second lowest bid of KEB. Taking that into consideration, Mr. Haake made a motion, seconded by Mr. Hicks, to accept management's recommendation to remain with KEB of Carbondale. Motion carried.

ANNUAL MEETING SCHOLARSHIP: After discussion, there was a general consensus that all members and/or dependents will be eligible for the \$1000 scholarship that will be awarded at the annual meeting. Specifically employees and directors and/or their dependents will be eligible since it is a random drawing and will be done at the meeting in front of the audience.

BOARD SELF-ASSESSMENTS: The board self-assessment survey results were mailed with board packets. Discussion of the results was tabled until the June board meeting. The assessment covered the nine board responsibilities and evaluated the board's performance using a rating scale.

At 11:20 a.m. the board went into executive session.

Upon reconvening into regular session and there being no further business to come before the Board of Directors, the meeting was adjourned at 11:35 a.m.

Date Approved: June 28, 2011

Kevin Liefer, Secretary
Recorded by Brenda K Rapp, Assistant Secretary

**EGYPTIAN ELECTRIC COOPERATIVE ASSOCIATION
POLICY BULLETIN NO. 509**

SUBJECT: INTERCONNECTION POLICY FOR QUALIFIED COGENERATION FACILITIES AND SMALL POWER PRODUCERS

I. OBJECTIVE

To establish safety, reliability and economic standards for interconnection and parallel operation of distributed generation of member-owned on-site electric generation facilities using renewable fuel sources designed primarily to offset the member's electrical requirements.

II. DEFINITIONS

Distributed Generation is defined as any generation built within close proximity to the generating member's load regardless of generation capacity or energy source of such generation and includes but is not limited to:

- A. small scale environmentally friendly generators such as photovoltaics (PV), fuel cells, small wind turbines;
- B. microturbines or reciprocating engines fueled by renewable fuels such as landfill gas or methane gas from digesters;
- C. any qualifying facility (QF) under the Public Utility Regulatory Policies Act of 1978 (PURPA);
- D. any on-site generation with less than 10 megawatts (hereafter "MW") of capacity interconnected with distribution facilities;
- E. commercial emergency and standby diesel generators installed, for example, in hospitals, hotels and farms;
- F. residential standby generators;
- G. generators installed by a utility at a substation for voltage support or other reliability purposes.

Cooperative – Egyptian Electric Cooperative Association, an Illinois not for profit corporation.

IEEE Standard 1547 – The Institute of Electrical and Electronic Engineers, Inc. (IEEE) Standard 1547 (2003) "Standard for Interconnecting Distributed Resources with Electric Power Systems", as amended and supplemented, at the time the interconnection request is submitted.

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IEEE Standard 1547.1 – The IEEE Standard 1547.1 (2005) “Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems”, as amended and supplemented, at the time the interconnection request is submitted.

Nameplate Capacity – The maximum rated output of a generator, prime mover, or other electric power production equipment under specific conditions designated by the manufacturer and is usually indicated on a nameplate physically attached to the power production equipment.

Small Generator Facility – The equipment used by an interconnection member to generate, or store electricity that operates in parallel with the electric distribution system with a Nameplate Capacity of 10 kilowatts (hereafter “kW”) or less. A Small Generator Facility typically includes an electric generator, prime mover, and the interconnection equipment required to safely interconnect with the electric distribution system or local electric power system. These facilities have been approved by a nationally recognized testing laboratory or must have been approved by the Cooperative under a study process and qualify for expedited review.

UL Standard 1741 – Underwriters Laboratories’ standard titled “Inverters Converters, and Controllers for Use in Independent Power Systems”, November 7, 2005, edition, as amended and supplemented.

Witness Test – For lab certified or field approved equipment, verification (either by an on-site observation or review of documents) by the Cooperative that the interconnection installation evaluation required by IEEE Standard 1547 Section 5.3 and the commissioning test required by IEEE Standard 1547 Section 5.4 have been adequately performed. For interconnection equipment that has not been lab certified or field approved, the Witness Test shall also include the verification by the Cooperative of the on-site design tests as required by IEEE Standard 1547 Section 5.1 and verification by the Cooperative of production tests required by IEEE Standard 1547 Section 5.2. All tests verified by the Cooperative are to be performed in accordance with the test procedures specified by IEEE Standard 1547.1.

III. APPLICABILITY

This interconnection policy applies to Cooperative members proposing to install and interconnect Small Generator Facilities that:

- A. Have a Nameplate Capacity equal to or less than 10 MW;
- B. Are not subject to the interconnection requirements of the Independent System Operations and Regional Transmission Organization; and
- C. Are designed to operate in parallel with the electric distribution system.

IV. INTERCONNECTION REQUESTS

- A. Members seeking to interconnect a Small Generator Facility shall submit a completed Application for Operation of Customer-Owned Generation request. The request may

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be eligible for expedited interconnection review if the request is for a Small Generator Facility using lab certified or field approved interconnection equipment.

- B. Interconnection equipment shall be deemed to be lab certified if it is evaluated by a nationally recognized testing laboratory (NRTL) and found to be in compliance with IEEE Standard 1547, including use of IEEE Standard 1547.1 testing protocols to establish conformity, UL Standard 1741 and NFPA 70 National Electrical Code.
- C. Interconnection equipment shall be deemed to be field approved if within the previous 36 months of the date of the interconnection request, it has been previously approved for use with the proposed Small Generator Facility in a materially identical system application, and the prior approval process included a successful Witness Test.
- D. The member must submit to the Cooperative plans of the proposed installation and must obtain approval for the installation. This approval process will include a review by the Cooperative of the effect of the proposed generation on the Cooperative's distribution system, including its protective scheme. The member requesting interconnection shall pay the cost of this review. No installation will be permitted that reduces reliability to other members or causes voltage conditions on the system to be outside of the limits of ANSI C84.1 Range A. No installation will be permitted that is expected to produce objectionable harmonics on the system. Any mitigation required to resolve harmonic problems created by a member-owned generator will be completed and paid for by the member.
- E. For generating facilities with nameplate ratings greater than 10 kW up to and including 10 MW, the Cooperative shall apply, to the extent practicable and as determined to be in the best interests of the Cooperative, the procedures contained in the Small Generator Interconnection Procedures (SGIP) for generating facilities no larger than 20 MW as developed by the Federal Energy Regulatory Commission (FERC) and the Illinois Commerce Commission regulations governing interconnection standards.
- F. For generating facilities with nameplate ratings of 50 kW or more for residential applications and 200 kW or more for all other applications, the member must also comply with Southern Illinois Power Cooperative's Facilities Connection Requirements.

V. EXPEDITED REVIEW

- A. The Cooperative shall review the application and evaluate the potential for adverse system impacts. Any costs of construction of facilities on the Cooperative's system to accommodate the Small Generator Facility shall be paid by the member.
- B. The Cooperative shall, within 10 business days after receipt of the interconnection request, inform the applicant that the interconnection request is complete or incomplete and if so, what information is absent.

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- C. The Cooperative shall, within 15 business days after the end of the 10 business days noted in B. above, verify that the Small Generator Facility equipment can be interconnected safely and reliably.

- D. Unless the Cooperative determines and demonstrates that a Small Generator Facility cannot be interconnected safely or reliably to its system and provides a letter to the applicant explaining its reasons for denying an interconnection request, the Cooperative shall approve the interconnection request subject to the following conditions:
 - 1. The Small Generator Facility has been approved by local or municipal electric code officials with jurisdiction over the interconnections;
 - 2. Written notification that the project is complete and ready for interconnection has been submitted to the Cooperative. Completion of local inspections as may be required by local authorities must be submitted with said written notification.
 - 3. The Witness Test has been successfully completed or waived; and
 - 4. The applicant has signed an Agreement for Interconnection and Parallel Operation of Distributed Generation and provided proof of insurance or otherwise complied with the terms of the agreement. When an applicant does not sign the agreement within 30 business days after receipt from the Cooperative, the interconnection request may be deemed withdrawn unless the applicant requests to have the deadline extended. The request for extension shall not be unreasonably denied by the Cooperative.

- E. When a Small Generator Facility is not approved under this expedited review, the applicant may submit a new interconnection request for consideration under the procedures for review of larger capacity generator facilities with a Nameplate Capacity greater than 10 kW and less than 10 MW.

VI. INSURANCE REQUIREMENTS AND INDEMNIFICATION

Throughout the term of this agreement, the member shall carry a liability insurance policy issued by a licensed insurance carrier with an A.M. Best rating of B+ or better that provides protection against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of the member's ownership and/or operation of the Distributed Generation facility under this agreement. The limits of such policy shall be at least \$1,000,000 per occurrence for those members with Small Generator Facilities. The member shall provide a certificate of insurance containing a minimum 30 day notice of cancellation to the Cooperative prior to connection of the member's facility to the Cooperative's system.

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VII. MISCELLANEOUS REQUIREMENTS

- A. The Cooperative shall be reimbursed for all costs of interconnection, including all carrying costs, incurred by the Cooperative in connecting the member generation facility to the distribution system. Those costs for Small Generator Facilities shall not exceed \$500.00 unless the facility fails initial testing and additional review is necessary.
- B. The Cooperative shall have free access to the member's Small Generator Facility and interconnection equipment at all times to monitor operation of the member's equipment, Cooperative-supplied service equipment connected to such system, or to disconnect if the facility is not in compliance with this policy, the requirements of IEEE Standard 1547 and the non-compliance adversely affects the safety or reliability of the electric system or subjects the cooperative to undue risk. The Cooperative shall provide reasonable notice to the member prior to disconnection of the facility if possible.
- C. The Cooperative shall have the right to inspect and approve all plans for parallel generation systems and the interconnection systems prior to initial operation or subsequent operation following modifications.
- D. The member shall make any necessary changes or adjustments to the additional facilities being operated in parallel to eliminate interference on the Cooperative's distribution system.
- E. The member shall not energize the Cooperative's system during any period of utility service interruption. The member's equipment must contain a disconnect device to which the Cooperative has access and which the Cooperative can lock in an open position to disconnect, for safety reasons, the member's electric generating facility from the Cooperative's electric delivery system.
- F. Electric generation facilities may be disconnected by the Cooperative from its system whenever, in the sole opinion of the Cooperative, such action is required by an emergency, for reasons of safety or due to interference with service to other members. The facility shall also be subject to the Cooperative's requirements for maintaining voltage standards of output and the production of reactive power.
- G. Phase, frequency and voltage of the member's interconnected generation shall be compatible with that provided by the Cooperative.
- H. The members shall pay the cost of interconnection including initial and future transmission, distribution, metering, service and other facilities costs necessary to permit interconnected operations with the Cooperative.

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- I. Any auxiliary or reserve power service required by the member must be arranged in accordance with the terms of the Cooperative's applicable policies/rates as modified from time to time.

- J. The Cooperative shall, at its discretion, have the right to install and maintain a secondary meter to measure all energy produced by the interconnected system.

Adopted: August 24/2004
Revised: July 21, 2006
Revised: February 22, 2008
Revised: May 31, 2011

Attested: Kevin Liefer, Secretary

EGYPTIAN ELECTRIC COOPERATIVE ASSOCIATION

AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION

This Interconnection Agreement (“Agreement”) is made and entered into this ____ day of _____, _____, by Egyptian Electric Cooperative Association, (“Cooperative”), a corporation organized under the laws of Illinois, and _____ (“Member”), each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties”.

In consideration of the mutual covenants set forth herein, and other good and valuable consideration, the sufficiency and receipt thereof is hereby acknowledged, the Parties agree as follows:

1. Scope of Agreement

This Agreement addresses the conditions under which the Cooperative and Member agree that one or more generating facilities (herein “Distributed Generation”), more particularly described in Exhibit A, owned and/or operated by Member with a Nameplate Capacity of 10 MW or less, can be interconnected at 120/240(V) or less (collectively hereafter sometimes referred to as the “Facilities”) to the Cooperative’s electric power distribution system (hereafter sometimes referred to as the “System”). This Agreement shall not entitle the Member to electric service beyond the terms of a separate membership agreement for service and to the Cooperative’s rules, policies, regulations, by-laws and rates (hereafter collectively “Rules”).

2. Establishment of Point of Interconnection

Cooperative and Member agree to interconnect the Facilities at the location(s) specified in Exhibit A “Point of Interconnection” in accordance with the terms of the Cooperative’s policy on Interconnection and Parallel Operation of Distributed Generation and the Institute of Electrical and Electronic Engineers (IEEE) Standards 1547, 1547.1 and UL Standard 1741.

3. Responsibilities of Cooperative and Member for Installation, Operation and Maintenance of Facilities

Member will, at its own cost and expense, install, operate, maintain, repair, and inspect, and shall be fully responsible for, its Facilities and Interconnection Facilities, unless otherwise specified on Exhibit A. Member shall conduct operations of its Facilities and Interconnection Facilities in compliance with all aspects of the Rules and in accordance with industry standard prudent engineering practice. The Cooperative shall conduct operations of its electric distribution facilities in compliance with all aspects of the Rules, or as further described and mutually agreed to in the applicable Facilities Schedule attached hereto as Exhibit A. Maintenance of Facilities and Interconnection Facilities shall be performed in accordance with the applicable manufacturers’ recommended maintenance schedule. The Member agrees to cause its Facilities and Interconnection Facilities to be constructed in accordance with Egyptian Electric Cooperative Association’s policy 509. The Cooperative shall have the right to inspect and require changes to the Member’s Facilities and Interconnection Facilities prior to connecting the Member’s Facilities and Interconnection Facilities to the Cooperative’s System. Phase, frequency and voltage of the member’s interconnected generation shall be compatible with that provided by the Cooperative.

Member shall comply with, and accept all responsibility for complying with, all applicable laws, regulations, zoning codes, building codes, safety rules and environmental restrictions applicable to the design, installation, operation and maintenance of its Facilities and Interconnection Facilities.

The Cooperative will notify Member if there is evidence that the facilities’ or interconnection facilities’ operation causes disturbance, disruption or deterioration of service to other members served from the System or if the Facilities’ or Interconnection Facilities’ operation causes damage to the System. If this condition persists, the Cooperative shall have the right to disconnect Member from the System. Member will notify the

Cooperative of any emergency or hazardous condition or occurrence with Member's Facilities or Interconnection Facilities which could affect safe operation of the System.

4. Operator in Charge

Member shall provide a phone number and address of an individual contact person that has knowledge of this agreement, that is familiar with the installation, maintenance and operation of the Facilities or Interconnection Facilities and has the authority to disconnect the facility from the System in the event the Cooperative requires doing so.

5. No Power Sales to Cooperative

Interconnection of the Facilities with the System does not grant the Member the right to export power nor does it constitute an agreement by the Cooperative to purchase or wheel excess power. Purchase of excess facility capacity is governed by the Cooperative Purchase of Excess Member Owned Generation Capacity Policy, EECA policy 515.

6. Limitation of Liability and Indemnification

- a. Notwithstanding any other provision in this Agreement, with respect to the Cooperative's provision of electric service to Member and the services provided by the Cooperative pursuant to this Agreement, Cooperative's liability to Member shall be limited as set forth in the Cooperative's rules, bylaws, policies, contracts, and terms and conditions for electric service, which are incorporated herein by reference, and in no event shall the Cooperative be liable for loss of profit, loss of operation time, or loss of or reduction in use of any facilities or any portion thereof, increased expense of construction, operation or maintenance, or for any special, indirect, incidental, or consequential damages resulting from the construction, operation or maintenance of the member's Facilities and Interconnection Facilities.
- b. For the purposes of this Agreement, a Force Majeure event is any event beyond the reasonable control of the affected party that the affected party is unable to prevent or provide against by exercising reasonable diligence. This includes but is not limited to public disorder, rebellion or insurrection, floods, hurricanes, earthquakes, lightning, storms or other natural calamities, explosions or fires, strikes, work stoppages or labor disputes, embargoes, and sabotage. If a Force Majeure event prevents a party from fulfilling any obligations under this Agreement, such party will promptly notify the other party in writing and will keep the other party informed on a continuing basis as to the scope and duration of the Force Majeure event. The affected party will specify the circumstances of the Force Majeure event, its expected duration and the steps that the affected party is taking to mitigate the effect of the event on its performance. The affected party will be entitled to suspend or modify its performance of obligations under this Agreement but will use reasonable efforts to resume its performance as soon as possible.
- c. Member shall be responsible for the safe installation, maintenance, repair and condition of lines, wires, switches, or other equipment or property on its side of the point of interconnection. The Cooperative does not assume any duty of inspecting Member's lines, wires, switches, or other equipment or property and will not be responsible therefore. Member assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the point of interconnection.
- d. Member shall indemnify and hold the Cooperative harmless from and against any claim, cost, loss, damage or expense arising out of the Member's obligations under this agreement.

7. Testing and Testing Records

Member shall perform or cause to be performed such tests as the Cooperative may reasonably require and shall provide to the Cooperative all records of testing. Testing of protection systems shall comply with existing industry standards and practices. These records shall include testing at the start of operation and periodic testing thereafter. Factory testing of pre-packaged interconnection facilities and the protective

systems of small units shall be acceptable in the absence of reasonable grounds for additional testing. In the case of a factory test, Member shall provide a written description and certification by the factory of the test, the test results, and the qualification of any independent testing laboratory. In addition, Member shall obtain approval by the Cooperative of the settings of the equipment being installed prior to operation.

8. Right of Access, Equipment Installation, Removal & Inspection

The Cooperative shall have free access to the member's small generation facility and interconnection equipment at all times to monitor operation of the member's equipment, Cooperative-supplied service equipment connected to such system, or to disconnect for good cause, without prior notice to the member, member's equipment from the Cooperative's distribution system.

The Cooperative shall also have access to Member's premises and to operational records for any reasonable purpose in connection with the interconnection described in this Agreement, the Requirements, or to provide service to its members.

9. Disconnection of Facilities

Member retains the option to disconnect its facilities from the System, provided that Member notifies the Cooperative of the member's intent to disconnect by giving the Cooperative at least thirty (30) days' prior written notice. Such disconnection shall not be a termination of this Agreement unless Member exercises rights under Section 12 that do not lead to a resolution of the issue.

Member shall disconnect Facilities from the System upon the effective date of any termination resulting from and required by actions under Section 12.

The Cooperative may disconnect the electric generation facilities from its system whenever, in the sole opinion of the Cooperative, such action is required by an emergency, for reasons of safety or due to interference with service to other members. The facility shall also be subject to the Cooperative's requirements for maintaining voltage standards of output and the production of reactive power.

10. Metering

The Cooperative shall be reimbursed for all costs of interconnection, including all carrying and metering costs, incurred by the Cooperative in connecting the member generation facility to the distribution system. Metering shall meet accuracy standards required for equivalent electrical services and can be accomplished with standard meters or any devices that meet data collection and accuracy requirements. The Cooperative shall, at its discretion, have the right to install and maintain a secondary meter to measure all energy produced by the interconnected system.

11. Insurance

Throughout the term of this agreement, Member shall carry a liability insurance policy issued by a licensed insurance carrier with an A. M. Best rating of B+ or better that provides protection against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of the member's ownership and/or operation of the Distributed Generation Facility under this agreement. The limits of such policy for a small generation facility shall be at least \$1,000,000 per occurrence. The member shall provide a certificate of insurance containing a minimum 30 day notice of cancellation to the Cooperative prior to connection of the member's facility to the Cooperative system.

12. Effective Term and Termination Rights

This Agreement becomes effective when executed by both Parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Member may terminate this Agreement at any time by giving the Cooperative at least sixty (60) days' written notice; (b) Cooperative may terminate upon

failure by Member to generate energy from the Facilities within six (6) months after completion of the interconnection; (c) either Party may terminate by giving the other Party at least thirty (30) days prior written notice that the other Party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, regulation, contract, or policy of the Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) Cooperative may terminate by giving Member at least sixty (60) days notice in the event that there is a material change in an applicable law, or any change in policy or procedure pertaining to Distributed Generation by the Cooperative's wholesale electric supplier or requirement of any transmission utility, independent system operator or regional transmission organization having responsibility for the operation of any part of the System; (e) Cooperative may terminate this Agreement upon three (3) business days notice in the event Member ceases to receive electric service from Cooperative or is in default of terms or conditions for electric service; in the event that a Party (i) makes a general assignment or arrangement for the benefit of creditors; (ii) commences an action or proceeding under any bankruptcy, insolvency or similar law for the protection of debtors or creditors, or has commenced against it any such action or proceeding which is not withdrawn or dismissed within thirty (30) days; (iii) otherwise is adjudicated a debtor in bankruptcy or insolvent; (iv) is unable (or admits in writing its inability) generally to pay its debts as they become due; (v) is dissolved or has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, acquisition or merger); (vi) seeks or becomes subject to the appointment of an administrator, assignee, conservator, receiver, trustee or similar official for substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has all, or has substantially all of its assets become subject to an attachment, execution, levy, sequestration or other legal process which is not dismissed discharged, stayed or restrained within thirty (30) days; (viii) causes or is subject to any event that has an effect analogous to any of the events enumerated in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicates its consent to, approval of, or acquiescence in any of the foregoing acts or events; then, in such event, this Agreement shall terminate automatically without notice and without any other action by either Party.

13. Compliance with Laws, Rules and Tariffs

Member shall be responsible for complying with all federal, state and local laws. In the event Member's facilities, interconnection or disposition of electricity generated by the Distributed Generation are, or become, subject to Federal, State or local regulation, Member is, and shall be, responsible for regulatory compliance. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the Rules and the Cooperative's policies governing interconnection of Distributed Generation. The Cooperative reserves the right to change the Rules and policies at any time.

14. Severability

If any portion or provision of this Agreement is held or adjudged for any reason to be invalid or illegal or unenforceable by any court of competent jurisdiction, such portion shall be deemed separate and independent, and the remainder of this Agreement shall remain in full force and effect.

15. Amendment

This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties.

16. Entirety of Agreement and Prior Agreements Superseded

This Agreement, including the requirements contained in the attached Exhibits and Facilities Schedules, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Points of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein or in Member's application, or other written information provided by the Member in compliance with these requirements.

17. Assignment

This Agreement may be assigned to a party receiving electric service from the Cooperative at the site of the Facilities only upon the express written consent of the Cooperative. The assignee will be responsible for the proper operation and maintenance of the Facilities, and must agree in writing to be subject to all provisions of this Agreement. Cooperative may assign the Agreement to another entity without the approval of Member.

Notices – Notices given under this Agreement are deemed to have been duly delivered once received by United States certified mail, return receipt requested, postage prepaid, to:

(a) If to Cooperative:

Egyptian Electric Cooperative Association
Attn: Executive Vice President/General Manager
1005 West Broadway
P. O. Box 38
Steeleville, Illinois 62288

(b) If to Member:

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other.

19. Invoicing and Payment

Invoicing and payment terms for services associated with this Agreement shall be consistent with applicable Cooperative policies.

20. No PURPA Interconnection

The parties agree that the member’s facility is not a qualifying small power production facility or qualifying cogeneration facility as defined in the Public Utility Regulatory Policies Act of 1978 and that nothing herein confers any rights or obligations on either party by application of that Act.

21. 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.

22. Waiver

The failure of either party to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights or duties of the provisions in this Agreement.

23. Governing Law and Jurisdiction

It is agreed that this Agreement shall be construed and governed in accordance with the laws of the State of Illinois and that the circuit court of the County where the qualified facility is located or the United States

District Court for the Southern District of Illinois has jurisdiction on all matters relating to the enforcement of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

[Egyptian Electric Cooperative Association]

[MEMBER NAME]

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

EXHIBIT A
LIST OF FACILITIES SCHEDULES AND POINTS OF INTERCONNECTION

Facility Schedule No.

Name of Point of Interconnection

[Insert Facilities Schedule number and name for each Point of Interconnection]

Member will, at its own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for its Facilities, unless otherwise specified on Exhibit A.

FACILITIES SCHEDULE NO.

[The following information is to be specified for each Point of Interconnection, if applicable]

1. Name:
2. Facilities location:
3. Delivery voltage:
4. Metering (voltage, location, losses adjustment due to metering location, and other:
5. Normal Operation of Interconnection:
6. One line diagram attached (check one):/ _____ Yes / _____ No
7. Facilities to be furnished by Cooperative:
8. Facilities to be furnished by Member:
9. Cost Responsibility:
10. Control area interchange point (check one): / _____ Yes / _____ No
11. Supplemental terms and conditions attached (check one): / _____ Yes / _____ No
12. Cooperative rules for DG interconnection attached (check one): / _____ Yes / _____ No

EGYPTIAN ELECTRIC COOPERATIVE

MEMBER

BY: _____

TITLE: _____

DATE: _____

DATE: _____