



## UNIFORM CONTRACT FOR COGENERATION AND SMALL POWER PRODUCTION FACILITIES

THIS CONTRACT is entered into \_\_\_\_\_, \_\_\_\_, by the City of Rochester, acting by and through its Rochester Public Utilities (hereafter called "RPU") and \_\_\_\_\_ (hereafter called "QF"),

### RECITALS

The QF has installed electric generating facilities, consisting of \_\_\_\_\_ (Description of facilities) rated at \_\_\_\_\_ kilowatts AC of electricity, on property located at \_\_\_\_\_.

The QF is a customer of RPU located within the assigned electric service territory of RPU.

The QF is prepared to generate electricity in parallel with RPU.

The QF's electric generating facilities meet the requirements of the rules adopted by RPU on Cogeneration and Small Power Production and any technical standards for interconnection RPU has established that are authorized by those rules.

RPU is obligated under federal and Minnesota law to interconnect with the QF and to purchase electricity generated for sale by the QF.

A contract between the QF and RPU is required.

### AGREEMENTS

The QF and RPU agree:

1. The Utility will sell electricity to the QF under the rate schedule in force for the class of customer to which the QF belongs.
2. The Utility will buy electricity from the QF under the current rate schedule filed with the RPU Board. The QF elects the rate schedule category hereinafter indicated:

\_\_\_\_\_ a. Average retail utility energy rate.

- QF capacity must be less than 40 kW.
- \_\_\_ b. Simultaneous purchase and sale billing rate.
- QF capacity must be less than 40 kW.
- \_\_\_ c. Roll-over credits.
- QF capacity must be less than 40 kW.
- \_\_\_ d. Time-of-day purchase rates.
- QF capacity must be 40 kW or more and less than or equal to 100 kW.

A copy of the presently approved rate schedule is attached to this contract.

3. The rates for sales and purchases of electricity may change over the time this contract is in force, due to actions of RPU or the State of Minnesota, and the QF and RPU agree that sales and purchases will be made under the rates in effect each month during the time this contract is in force.
4. RPU will compute the charges and payments for purchases and sales for each billing period. Any net credit to the QF, other than kilowatt-hour credits under clause 2(c), will be made under one of the following options as chosen by the QF.
  - \_\_\_ a. Credit to the QF's account with RPU.
  - \_\_\_ b. Paid by check or electronic payment service to the QF within fifteen (15) days of the billing date.
5. Renewable energy credits associated with generation from the facility are owned by:
 

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6. The QF must operate its electric generating facilities within any rules, regulations, and policies adopted by RPU not prohibited by the rules governing Cogeneration and Small Power Production on RPU's system which provide reasonable technical connection and operating specifications for the QF and are consistent with the Minnesota Public Utilities Commission's rules on Cogeneration and Small Power Production, as required under Minnesota Statutes §216B.164, subdivision 9.
7. The QF will not enter into an arrangement whereby electricity from the generating facilities will be sold to an end user in violation of the Utility's exclusive right to provide electric service in its service area under Minnesota Statutes, §216B.37-44.
8. The QF will operate its electric generating facilities so that they conform to the national, state, and local electric and safety codes, and will be responsible for the costs of conformance.

9. The QF is responsible for the actual, reasonable costs of interconnection which are estimated to be \$\_\_\_\_\_. The QF will pay RPU in this way:

\_\_\_\_\_  
\_\_\_\_\_.

10. The QF will give RPU reasonable access to its property and electric generating facilities if the configuration of those facilities does not permit disconnection or testing from RPU's side of the interconnection. If RPU enters the QF's property, RPU will remain responsible for its personnel.

11. RPU may stop providing electricity to the QF during a system emergency. RPU will not discriminate against the QF when it stops providing electricity or when it resumes providing electricity.

12. RPU may stop purchasing electricity from the QF when necessary for RPU to construct, install, maintain, repair, replace, remove, investigate, or inspect any equipment or facilities within its electric system. RPU may stop purchasing electricity from the QF in the event the generating facilities listed in this contract are documented to be causing power quality, safety or reliability issues to RPU's electric distribution system.

RPU will notify the QF before it stops purchasing electricity in this way:

\_\_\_\_\_  
\_\_\_\_\_.

13. The QF will keep in force commercial liability insurance against personal or property damage due to the installation, interconnection, and operation of its electric generating facilities. The amount of insurance coverage will be \$\_\_\_\_\_. (The amount must be consistent with the distributed generation tariff adopted by the Utility pursuant to Minnesota Statutes §216B.1611, subdivision 3, clause 2.)

14. The QF and RPU agree to attempt to resolve all disputes arising hereunder promptly and in a good faith manner.

15. The RPU Board governing RPU has authority to consider and determine disputes, if any, that arise under this contract in accordance with procedures in the rules it adopts implementing Minnesota Statute §216B.164, pursuant to §216B.164, subdivision 9.

16. This contract becomes effective as soon as it is signed by the QF and RPU. This contract will remain in force until either the QF or RPU gives written notice to the other that the contract is canceled. This contract will be canceled thirty (30) days after notice is given. If the listed electric generating facilities are not interconnected

to RPU's distribution system within twelve months of the contract being signed by the QF and RPU, the contract terminates. The QF and RPU may delay termination by mutual agreement.

17. Neither the QF nor RPU will be considered in default as to any obligation if the QF or RPU is prevented from fulfilling the obligation due to an act of God, labor disturbance, act of public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, an order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or other cause beyond the QF's or RPU's control. However, the QF or RPU whose performance under this contract is hindered by such an event shall make all reasonable efforts to perform its obligations.
18. This contract can only be amended or modified by mutual agreement in writing signed by the QF and RPU.
19. The QF must notify RPU prior to any change in the electric generating facilities' capacity size or generating technology according to the interconnection process adopted by RPU.
20. Termination of this contract is allowed by the QF at any time without restriction; (ii) by Mutual Agreement between RPU and the QF; (iii) upon abandonment or removal of electric generating facilities by the QF; (iv) by RPU if the electric generating facilities are continuously non-operational for any twelve (12) consecutive months; (v) by RPU if the QF fails to comply with applicable interconnection design requirements or fails to remedy a violation of the interconnection process; or (vi) by RPU upon breach of this contract by the QF unless cured with notice provided by RPU prior to termination.
21. In the event this contract is terminated, RPU shall have the rights to disconnect its facilities or direct the QF to disconnect its generating facilities.
22. This contract shall continue in effect after termination to the extent necessary to allow either RPU or the QF to fulfill rights or obligations that arose under the contract.
23. Transfer of ownership of the generating facilities shall require the new owners and RPU to execute a new contract. Upon the execution of a new contract with the new owners this contract shall be terminated.
24. The QF and RPU shall at all times indemnify, defend, and save each other harmless from any and all damages, losses, claims, including claims and actions relating to injury or death of any person or damage to property, costs and expenses, reasonable attorneys' fees and court costs, arising out of or resulting from the QF's or RPU's performance of its obligations under this contract, except to

the extent that such damages, losses or claims were caused by the negligence or intentional acts of the QF or RPU.

- 25. RPU and the QF will each be responsible for its own acts or omissions and the results thereof to the extent authorized by law and shall not be responsible for the acts or omissions of any others and the results thereof.
- 26. The QF's and RPU's liability to each other for failure to perform its obligations under this contract shall be limited to the amount of direct damage actually occurred. In no event, shall the QF or RPU be liable to each other for any punitive, incidental, indirect, special, or consequential damages of any kind whatsoever, including for loss of business opportunity or profits, regardless of whether such damages were foreseen.
- 27. RPU does not give any warranty, expressed or implied, to the adequacy, safety, or other characteristics of the QF's interconnected system.
- 28. This contract contains all the agreements made between the QF and RPU. The QF and RPU are not responsible other than those stated in this contract.

THE QF AND RPU HAVE READ THIS CONTRACT AND AGREE TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY HAVE EACH SIGNED THIS CONTRACT BELOW ON THE DATE LISTED BY SIGNATURE.

QF

By: \_\_\_\_\_

Dated: \_\_\_\_\_

ROCHESTER PUBLIC UTILITIES

\_\_\_\_\_

Authorized Representative

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General Manager

CITY OF ROCHESTER

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Mayor

Attest:

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City Clerk

Reviewed by:

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City Attorney

**Statutory Authority:**

*MS s [216A.05](#); [216A.08](#); [216F.164](#) subd 6*

**History:**

*9 SR 03; L 1997 254 art 1 § 07*

Contract version: February 2019

