

State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** September 29, 2016

**TO:** Office of Commission Clerk (Stauffer)

**FROM:** Division of Engineering (Wooten, Ellis) *POE*  
Office of the General Counsel (Trierweiler) *WJF*

**RE:** Docket No. 160140-EQ – Petition for approval of modifications to standard interconnection agreement contained in the approved tariff by Duke Energy Florida, LLC.

**AGENDA:** 10/11/16 – Regular Agenda – Tariff Filing - Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Administrative

**CRITICAL DATES:** 02/02/17 (8-Month Effective Date)

**SPECIAL INSTRUCTIONS:** None

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### Case Background

On June 2, 2016, Duke Energy Florida, LLC (Duke or Company) filed a petition for approval of modifications to its Interconnection Agreement (Agreement) contained in the approved tariff. The Agreement was created in 2014 by Order No. PSC-14-0589-PAA-EI, which separated the Company's as-available tariff from the Agreement for Qualifying Facilities (QFs).<sup>1</sup> The

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<sup>1</sup>Order No. PSC-14-0589-PAA-EI, issued October 21, 2014, in Docket No. 140137-EI, *In re: Petition for approval of modifications to tariff sheet Nos. 9.100 through 9.330 and tariff sheet Nos. 9.700 through 9.709 as-available purchase tariff and interconnection agreement, by Duke Energy Florida, Inc.*

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agreement was last modified in 2015 by Order No. PSC-15-305-PAA-EQ along with Duke's Standard Offer Contract.<sup>2</sup>

On July 21, 2016, the Commission suspended the agreement to allow sufficient time for Commission staff to review the application and gather pertinent information.<sup>3</sup>

The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

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<sup>2</sup>Order No. PSC-15-305-PAA-EQ, issued July 28, 2015, in Docket No. 150106-EQ, *In re: Petition for approval of amended standard offer contract (Schedule COG-2) and amended interconnection agreement, by Duke Energy Florida, Inc.*

<sup>3</sup>Order No. PSC-16-0279-PCO-EQ, issued July 21, 2016, in Docket No. 160140-EQ, *In re: Petition for approval of modifications to standard interconnection agreement contained in the approved tariff by Duke Energy Florida, LLC.*

## Discussion of Issues

**Issue 1:** Should the Commission approve Duke's proposed modifications to the Interconnection Agreement contained in its approved tariffs?

**Recommendation:** Yes. Staff recommends the Commission approve Duke's modifications to its Interconnection Agreement as shown in Attachment A. The new requirements clarify that the Agreement is intended for interconnections with Duke only and improves security to ratepayers by requiring insurance similar to other contracts. The proposed tariff modifications should not place an undue burden on QFs that seek to interconnect with Duke's system and deliver power to the Company. (Wooten)

**Staff Analysis:** In its petition Duke proposes to make certain changes to the approved tariff sheets 9.700 through 9.715 which contains the terms and conditions of Duke's Interconnection Agreement for QFs. The Company submitted a total of 15 revised sheets of the Interconnection Agreement. The type-and-strike format versions of the revised tariff sheets are included as Attachment A to this recommendation.

### Interconnection Agreement Modifications

In its petition and in response to staff data requests, Duke notes that some of the proposed tariff changes are meant to reflect that the Agreement is to address non-Federal Energy Regulatory Commission (FERC) jurisdictional interconnections only. For example, proposed tariff sheet 9.700, paragraph 1.0 is modified to reflect that all net output will be sold to Duke. As a result, any QF wishing to sell power to another party would instead, use the Company's FERC interconnection tariff, instead of the proposed Agreement.

The proposed Agreement includes a new component to the preliminary cost study, a Feasibility Study, which is meant to provide a list of options available to the QF for its interconnection to narrow the analysis in determining costs. The estimated interconnection costs for all feasibility studies for a 50 MW QF is less than \$70,000, or approximately \$0.0014/watt. Section 4.2.2 on proposed Tariff Sheet 9.705 also adds a requirement that the QF provides cash or a letter of credit to Duke prior to interconnection field work being conducted. These new requirements seem reasonable, in that the Feasibility Study allows a QF to determine its desired interconnection option, while the credit requirement protects the Company's ratepayers in the event a QF would not reimburse Duke for interconnection costs.

Section 12 of the proposed Agreement adds liability insurance requirements, including consequences that clarify the results of failing to acquire or maintain insurance coverage. The minimum liability insurance requirement is \$1,000,000 per occurrence for bodily injury or property damage. While this increases costs to QFs, the requirement represents a reasonable practice and the language is similar to the insurance requirements included in the Company's Standard Offer Contract.<sup>4</sup>

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<sup>4</sup>See Order No. PSC-16-0252-PAA-EQ, issued June 26, 2016, in Docket No. 160073-EQ, *In re: Petition for approval of amended standard offer contract (Schedule COG-2), by Duke Energy Florida, LLC.*

Additional legal terms are added to the agreement, including events of default, termination, assignment, references to controlling statutes, and representations that the parties are capable of legally conducting the agreement. These terms are reasonable and provide clarity in the event of a dispute regarding the contract terms. Other revisions to the Agreement include modifications to terminology and definitions with minor substantive changes.

### **Conclusion**

Staff recommends the Commission approve Duke's modifications to its Interconnection Agreement as shown in Attachment A. The new requirements clarify that the Agreement is intended for interconnections with Duke only and improves security to ratepayers by requiring insurance similar to other contracts. The proposed tariff modifications should not place an undue burden on QFs that seek to interconnect with Duke's system and deliver power to the Company.

**Issue 2:** Should this docket be closed?

**Recommendation:** Yes. If a protest is filed within 21 days of the issuance of the order, this tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order. (Trierweiler)

**Staff Analysis:** If a protest is filed within 21 days of the issuance of the order, this tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.



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CANCELS ORIGINAL SHEET No. 9.700

## INTERCONNECTION AGREEMENT

### INTERCONNECTION ARRANGEMENTS SCHEDULING AND COST RESPONSIBILITY

#### 1.0 Purpose

This Interconnection Agreement ("Agreement") sets forth the terms and conditions pursuant to which (“QF”) has agreed to comply with and pay Duke Energy Florida, LLC (“Company”) to interconnect with Company’s electrical system. This Agreement provides the procedures for the scheduling of construction for the Company’s Interconnection Facilities as well as the cost responsibility of the a QF Facility for the payment of Interconnection Costs. This Agreement also provides general for operating, testing, and inspection procedures intended to promote for the safe parallel operation of the Facility with the Company’s electrical system. This Agreement applies to QF’s, whether or not their Facility will be directly interconnected with the Company’s system and providing all net electrical output for sale to the Company. All requirements contained herein shall apply in addition to and not in lieu of the provisions of the Power Purchase Agreement.

#### 2.0 Definitions

2.1 “Agreement” means this Interconnection Agreement.

2.1 “Company” means Duke Energy Florida, LLC.

2.2 “Company’s Interconnection Facilities” means all equipment located on the Company’s side of the Point of Delivery, including without limitation, equipment for connection, switching, transmission, distribution, protective relaying and safety provisions which in the Company’s judgment sole discretion are required to be installed for the delivery and into the Company’s system, measurement of electric energy into the Company’s system on behalf of injected into the Company’s system, and upgrades to the Company’s electrical system required for the Company to receive, use, and deliver the energy to Company’s load QF, including all metering and telemetering equipment installed for the measurement of such energy delivered by the Facility, regardless of its the Facility’s location in relation to the Point of Delivery.

2.3 “Default” means the failure of a breaching Party to cure its breach under this Agreement. “Execution Date” means the date on which the Company executes this Agreement.

2.4 “Facility” means all equipment, as described in this Agreement, used to produce electric energy and, for a cogeneration facility, used to produce useful thermal energy through the sequential use of energy.

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~~2.5 “Interconnection Costs” means the actual costs incurred by the Company for the Company’s Interconnection Facilities, including, without limitation, the cost of equipment, engineering, communication and administrative activities.~~

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- 2.4 “Emergency Condition” means (a) any urgent, abnormal, operationally unstable, dangerous, and/or public safety condition that is existing on the Company’s system; (b) any urgent, abnormal, operationally unstable, dangerous, and/or public safety condition that is likely to result in any of the following: (i) loss or damage to the Facility and/or the Company’s system, (ii) disruption of generation by the Facility, (iii) disruption of service or stability on the Company’s system, and/or (iv) endangerment to human life or public safety; and/or. (c) any circumstance that requires action by the Company’s System Operator to comply with standing NERC regulations or standards, including without limitation actions to respond to, prevent, limit, or manage loss or damage to the Facility, loss or damage to the Company’s system, disruption of generation by the Facility, disruption of service on the Company’s system, an abnormal condition on the Company’s system, and/or endangerment to human life or safety. An Emergency Condition will be an excuse to QF’s performance only if such condition is not due to QF’s negligence, willful misconduct, and/or failure to perform as required under this Agreement.
- 2.5 “Execution Date” means the date on which the Company executes this Agreement.
- 2.6 “Facility” means all equipment used to produce electrical output and, for a cogeneration facility, used to produce useful thermal energy through the sequential use of energy.
- 2.7 “Facilities Study” means a written cost estimate of all the required materials and labor to complete the interconnection of the Facility with the Company’s electrical system, and an estimate of the date by which construction of the interconnection will be completed.
- 2.8 “Feasibility Study” means a review of the alternatives and operational requirements reasonably available to interconnect the Facility to the Company’s electric system and identification of a feasible interconnection alternative.
- 2.9 “Indemnified Party” has the meaning assigned to it in Section 12.1.
- 2.10 “Indemnifying Party” has the meaning assigned to it in Section 12.2
- 2.11 “Interconnection Costs” means the actual costs incurred by the Company under this Agreement and for the Company’s Interconnection Facilities, including, without limitation, the cost of equipment, engineering, communication, labor, and operations, maintenance, and administrative activities.
- 2.6 “Interconnection Costs Offset” means the estimated costs included in the Interconnection Costs that the Company would have incurred if it were not purchasing electric energy but instead itself generated or purchased from other

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~~sources an equivalent amount of electric energy and provided normal service to the Facility as if it were a non-generating customers.~~

~~2.7 "Part(y)(ies)" means the Company or/and the QF.~~

~~2.8 "Point of Delivery" means the point(s) where electric energy delivered to the Company pursuant to this Agreement enters the Company's system.~~

~~2.9 "Point of Metering" means the point(s) where electric energy made available for delivery to the Company, subject to adjustment for losses, is measured.~~

~~2.10 "Point of Ownership" means the interconnection point(s) between the Facility and the interconnected utility.~~

~~2.11 "Power Purchase Agreement" means either the (i) Agreement for Purchase of As-Available Energy, (ii) the Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer or a Qualifying Facility less than 100 kW or (iii) a negotiated contract based upon (i) or (ii).~~

~~2.11 "Qualifying Facility" or "QF" means a facility that meets the requirements defined in FPSC Rule 25-17.080.~~

~~2.12 "Transmission Service Utility" means the operator(s) of the Transmission System(s) or any successor thereof or any other entity or entities authorized to transmit Energy on behalf of RE/QF from the Electrical Interconnection Point.~~

~~3.0 Submission of Plans and Development of Interconnection Schedules and Cost Estimates~~

~~3.1 No later than sixty (60) days after the Execution Date, the QF shall specify the date it desires the Company's Interconnection Facilities to be available for receipt of the electric energy and shall provide a preliminary written description of the Facility and, if applicable, the QF's anticipated arrangements with the Transmission Service Utility, including without limitation, a one-line diagram, anticipated Facility site data and any additional facilities anticipated to be needed by the Transmission Service Utility. Based upon the information provided, the Company shall develop preliminary written Interconnection Costs and scheduling estimates for the Company's Interconnection Facilities within sixty (60) days after the information is provided. The schedule developed hereunder will indicate when the QF's final electrical plans must be submitted to the Company pursuant to section 3.2 hereof.~~

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- 2.612 “Interconnection Costs Offset” means the estimated costs included in the Interconnection Costs that the Company would have incurred if it were not purchasing electric energy from the Facility but instead would have provided electrical service to the Facility as if it were a non-generating customers.
- 2.713 “Interconnection Request Application” means a form used to provide the Company with the information required to study an interconnection request.
- 2.14 “Part(y)(ies)” means the Company or/and the QF.
- 2.815 “Point of Delivery” means the point(s) on the Company’s side of the electrical system where electric energy generated exclusively by the Facility is delivered into the Company system pursuant to this Agreement.
- 2.916 “Point of Metering” means the point(s) where electric energy made available for delivery to the Company, subject to adjustment for losses to the Point of Delivery that are the sole responsibility of the QF, is measured.
- ~~2.11~~2.17 “Power Purchase Agreement” means either the (i) Agreement for Purchase of Available Energy, (ii) the Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Producer or a Qualifying Facility less than 100 kW or (iii) a negotiated contract based upon (i) or (ii).
- ~~2.11~~2.18 “Qualifying Facility” or “QF” means a facility that meets the requirements defined in FPSC Rule 25-17.080. For the purposes of this Agreement only, a Distributed Resource as defined in the Institute of Electrical and Electronics Engineers (“IEEE”) Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems, as they may be amended from time to time, will be deemed to be a QF, consistent with the Stipulation approved by the Florida Public Service Commission in Order No. PSC-06-0707-PAA-EL, issued August 18, 2006 in Docket No. 060410-EL.
- ~~2.12~~ “Transmission Service Utility” “QF Insurance” has the meaning assigned to it in Section 13.1.
- 2.20 “System Impact Study” means the operator(s) a preliminary written cost estimate of all the Transmission System(s) or any successor thereof or any other entity or entities authorized to transmit Energy on behalf of RE/QF from the Electrical Company’s Interconnection Point Facilities, including without limitation, required materials and labor to complete the interconnection and a preliminary estimate of the date by which construction of the interconnection will be completed.
- ~~3.2~~ The QF shall submit the Facility’s final electrical plans and all revisions to the information previously submitted under section 3.1 hereof to the Company no later than the date specified under section 3.1 hereof, unless such date is modified in the Company’s reasonable discretion. Based upon the information provided and within

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~~sixty (60) days after the information is provided, the Company shall update its written Interconnection Costs and schedule estimates, provide the estimated time period required for construction of the Company's Interconnection Facilities, and specify the date by which the Company must receive notice from the QF to initiate construction, which date shall, to the extent practical, be consistent with the QF's schedule for delivery of energy into the Company's system. The final electrical plans shall include the following information, unless all or a portion of such information is waived by the Company in its discretion:~~

- ~~a. Physical layout drawings, including dimensions;~~
- ~~b. All associated equipment specifications and characteristics including technical parameters, ratings, basic impulse levels, electrical main one line diagrams, schematic diagrams, system protections, frequency, voltage, current and interconnection distance;~~
- ~~c. Functional and logic diagrams, control and meter diagrams, conductor sizes and length, and any other relevant data which might be necessary to understand the Facility's proposed system and to be able to make a coordinated system;~~
- ~~d. Power requirements in watts and vars;~~
- ~~e. Expected radio noise, harmonic generation and telephone interference factor;~~
- ~~f. Synchronizing methods; and~~
- ~~g. Facility operating/instruction manuals;~~
- ~~h. If applicable, a detailed description of the facilities to be utilized by the Transmission Service Utility to deliver energy to the Point of Delivery.~~

~~3.3 Any subsequent change in the final electrical plans shall be submitted to the Company and it is understood and agreed that any such changes may affect the Company's schedules and Interconnection Costs as previously estimated.~~

~~3.4 The QF shall pay the actual costs incurred by the Company to develop all estimates pursuant to section 3.1 and 3.2 hereof and to evaluate any changes proposed by the QF under section 3.3 hereof, as such costs are billed pursuant to the Power Purchase Agreement. At the Company's option, advance payment for these cost estimates may be required, in which event the Company will issue an adjusted bill reflecting actual costs following completion of the cost estimates.~~

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3.0 Submission of Plans and Development of Interconnection Schedules and Cost Estimates

3.1 No later than sixty (60) days after the Execution Date, the QF shall specify the date it desires the Company's Interconnection Facilities to be available for receipt of the electric energy and shall complete an Interconnection Request Application. At such time, the QF shall deliver to Company the Facility's preliminary design, engineering, and operational specifications for purposes of interconnecting with Company's system. Based upon the information provided, the Company shall consider the reasonable alternatives available to interconnect the QF in a Feasibility Study. The Company and the QF shall meet and discuss interconnection alternatives and the QF's reasonable preference for interconnecting the Facility to the Company's electrical system. Once the QF has communicated a reasonable interconnection preference, the Company shall develop in a System Impact Study preliminary written Interconnection Costs and scheduling estimates for the Company's Interconnection Facilities within sixty (60) days after all information requested by the Company is provided by the QF. The schedule developed hereunder will indicate when the QF's final electrical plans must be submitted to the Company pursuant to section 3.2 hereof.

3.2 The QF shall submit the Facility's final design, engineering, and operational specifications and all revisions to the information previously submitted under section 3.1 hereof to the Company no later than the date specified pursuant to the last sentence of Section 3.1 hereof, unless such date is modified in the Company's sole discretion. Based upon the information provided and within sixty (60) days after the information is provided, the Company shall update its written Interconnection Costs and schedule estimates, provide the estimated time period required for construction of the Company's Interconnection Facilities, and specify the date by which the Company must receive notice from the QF to initiate construction, which date shall, to the extent practical, be consistent with the QF's schedule for delivery of energy into the Company's system in a Facilities Study. The final electrical plans shall include the following information, unless all or a portion of such information is waived by the Company in its discretion:

- a. Physical layout drawings, including dimensions;
- b. All associated equipment specifications and characteristics including technical parameters, ratings, basic impulse levels, electrical main one-line diagrams, schematic diagrams, system protections, frequency, voltage, current and interconnection distance;
- c. Functional and logic diagrams, control and meter diagrams, conductor sizes and length, and any other relevant data which might be necessary to understand the Facility's proposed system and to be able to make a coordinated system;
- d. Power requirements in watts and vars;

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~~3.5 The Parties agree that any cost or scheduling estimates provided by the Company hereunder shall be prepared in good faith but shall not be binding. The Company may modify such schedules as necessary to accommodate contingencies that affect the Company's ability to initiate or complete the Company's Interconnection Facilities and actual costs will be used as the basis for all final charges hereunder.~~

~~3.6 All studies required for interconnection and the construction of any interconnection facilities required shall be placed in the queue with any other interconnection requests to ensure that all interconnection requests to the Company's system promote current best practices, are just and reasonable, and are not discriminatory or preferential.~~

~~4.0 Payment Obligations for Interconnection Costs.~~

~~4.1 The Company shall have no obligation to initiate construction of the Company's Interconnection Facilities prior to a written notice from the QF agreeing to the Company's interconnection design requirements and notifying the Company to initiate its activities to construct the Company's Interconnection Facilities; provided, however, that such notice shall be received not later than the date specified by the Company under section 3.2 hereof. The QF shall be liable for and agrees to pay all Interconnection Costs incurred by the Company on or after the specified date for initiation of construction.~~

~~4.2 The QF agrees to pay all of the Company's actual Interconnection Costs as such costs are incurred and billed in accordance with the Power Purchase Agreement. Such amounts shall be billed pursuant to section 4.2.1 if the QF elects the payment option permitted by FPSC Rule 25-17.087(3). Otherwise the QF shall be billed pursuant to section 4.2.2.~~

~~4.2.1 Upon a showing of credit worthiness, the QF shall have the option of making monthly installment payments for Interconnection Costs over a period no longer than thirty six (36) months. The period selected is \_\_\_\_\_ months. Principal payments will be based on the estimated Interconnection Costs less the Interconnection Costs Offset, divided by the repayment period in months to determine the monthly principal payment. Payments will be invoiced in the first month following first incurrence of Interconnection Costs by the Company. Invoices to the QF will include principal payments plus interest on the unpaid balance, if any, calculated at a rate equal to the thirty (30) day highest grade commercial paper rate as published in the Wall Street Journal on the first business day of each month. The final payment or payments will be adjusted to cause the sum of principal payments to equal the actual Interconnection Costs.~~

~~4.2.2 When Interconnection Costs are incurred by the Company, such costs will be billed to the QF to the extent that they exceed the Interconnection Costs Offset.~~

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- e. Expected radio-noise, harmonic generation and telephone interference factor;
- f. Synchronizing methods;
- g. Facility operating/instruction manuals; and
- h. The maximum amount of energy anticipated to be delivered to the Company.

The final design specification documents delivered by the QF shall be labeled as "FINAL", and shall be signed, sealed, and dated by a licensed Florida Professional Engineer for purposes of establishing the final design submitted by the QF based on which Company will determine impacts to its system and construct interconnection facilities for the QF to interconnect with the system.

- 3.3 Any subsequent change in the final electrical plans shall be submitted to the Company and the QF understands and agrees that any such changes could affect the Company's schedules and Interconnection Costs as previously estimated. The QF understands that any changes in system design after the "FINAL" design is submitted shall be deemed as material or significant design changes by the QF and may result in Company terminating this Agreement and re-starting the interconnection process, as may be determined by the Company in its sole discretion. The QF shall be responsible for all costs incurred by Company as a result of any modifications to the "FINAL" design.
- 3.4 Without limiting the QF's responsibility to pay for all costs under this Agreement, the QF understands and agrees that the QF shall pay the actual costs incurred by the Company to develop all estimates pursuant to section 3.1 and 3.2 hereof and to evaluate any changes proposed by the QF as a result of the final design specifications. At the Company's option, advance payment for these cost estimates may be required, in which event the Company will issue an adjusted bill reflecting actual costs following completion of the cost estimates.
- 3.5 The Parties agree that any cost or scheduling estimates provided by the Company hereunder shall be prepared in good faith but shall not be binding. The Company may modify such schedules as necessary to accommodate contingencies that affect the Company's ability to initiate or complete the Company's Interconnection Facilities and actual costs will be used as the basis for all final charges hereunder.
- 3.6 All studies required for interconnection and the construction of any interconnection facilities required shall be placed in the queue in a non-discriminatory and non-preferential manner relative to any other interconnection requests so that Company can process all interconnection requests to the Company's system in accordance with the Company's current practices and operational procedures.
- ~~4.3 If the QF notifies the Company in writing to interrupt or cease interconnection work at any time and for any reason, the QF shall nonetheless be obligated to pay the Company for all costs incurred in connection with the Company's Interconnection Facilities~~

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~~through the date of such notification and for all additional costs for which the Company is responsible pursuant to binding contracts with third parties.~~

~~5.0 Payment Obligation for Operation, Maintenance and Repair of the Company's Intereconnection Facilities~~

~~The Qualifying Facility shall be billed monthly for the costs associated with the operation, maintenance, and repair of the interconnection. These include (a) the Company's inspections of the interconnection and (b) maintenance of any equipment beyond that which would be required to provide normal electric service to the Qualifying Facility if no sales to the Company were involved.~~

~~The Qualifying Facility shall pay a monthly charge equal to 0.50% of the Intereconnection Costs less the Intereconnection Costs Offset.~~

~~6.0 Schematic Diagram~~

~~Exhibit B-1, attached hereto and made a part hereof, is a schematic diagram showing the major circuit components connecting the Facility and the Company's [substation] and showing the Point of Delivery and the Point of Metering and/or Point of Ownership, if different. All switch number designations initially left blank on Exhibit B-1 will be inserted by the Company on or before the date on which the Facility first operates in parallel with the Company's system.~~

~~7.0 Operating Standards~~

~~7.1 The QF and the Company will independently provide for the safe operation of their respective facilities, including periods during which the other Party's facilities are unexpectedly energized or de-energized.~~

~~7.2 The QF shall reduce, curtail, or interrupt electrical generation or take other appropriate action for so long as it is reasonably necessary, which in the judgment of the QF or the Company may be necessary to operate and maintain a part of either Party's system, to address, if applicable, an emergency on either Party's system.~~

~~7.3 The deliveries from the QF shall not exceed the amount studied and approved by the Company's pursuant to the studies performed in Section 3 of this Agreement.~~

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4.0 Payment Obligations for Interconnection Costs.

- 4.1 The Company shall have no obligation to initiate construction of the Company's Interconnection Facilities prior to a written notice from the QF agreeing to the Company's interconnection design requirements and notifying the Company to initiate its activities to construct the Company's Interconnection Facilities; provided, however, that such notice shall be received not later than the date specified by the Company under Section 3.2 hereof. The QF shall be liable for and agrees to pay all Interconnection Costs incurred by the Company.
- 4.2 The QF agrees to pay all of the Company's actual Interconnection Costs as such costs are incurred and billed in accordance with the Power Purchase Agreement, if applicable. Such amounts shall be billed pursuant to section 4.2.1 if the QF elects the payment option permitted by FPSC Rule 25-17.087(3). Otherwise the QF shall be billed pursuant to section 4.2.2. If the QF does not have a Power Purchase Agreement for the Facility, then the QF agrees to pay the amounts billed by Company within 30 days after Company notifies the QF that such interconnection work has been completed.
- 4.2.1 Upon a showing of credit worthiness, the QF shall have the option of making monthly installment payments for Interconnection Costs over a period no longer than thirty six (36) months. The period selected is \_\_\_\_\_ months. Principal payments will be based on the estimated Interconnection Costs less the Interconnection Costs Offset, divided by the repayment period in months to determine the monthly principal payment. Payments will be invoiced in the first month following first incurrence of Interconnection Costs by the Company. Invoices to the QF will include principal payments plus interest on the unpaid balance, if any, calculated at a rate equal to the thirty (30) day highest grade commercial paper rate as published in the Wall Street Journal on the first business day of each month. The final payment or payments will be adjusted to cause the sum of principal payments to equal the actual Interconnection Costs.
- 4.2.2 When Interconnection Costs are incurred by the Company, such costs will be billed to the QF to the extent that they exceed the Interconnection Costs Offset. The QF agrees to provide, at least 15 calendar days before the initiation of interconnection field work, cash or a letter of credit as adequate assurances, in a form acceptable to Company in its sole discretion, to cover the estimated Interconnection Costs.
- 4.3 If the QF notifies the Company in writing to interrupt or cease interconnection work at any time and for any reason, the QF shall nonetheless be obligated to pay the Company for all costs incurred in connection with the Company's Interconnection Facilities through the date of such notification and for all additional costs for which the Company is responsible pursuant to binding contracts with third parties.
- 7.4 As may be provided in the Power Purchase Agreement, the QF shall not operate the Facility's electric generation equipment in parallel with the Company's system without

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~~prior written consent of the Company. Such consent shall not be given until the QF has satisfied all criteria under the Power Purchase Agreement and has:~~

- ~~(i) submitted to and received consent from the Company of its as-built electrical specifications;~~
- ~~(ii) demonstrated to the Company's satisfaction that the Facility is in compliance with the insurance requirements of the Power Purchase Agreement; and~~
- ~~(iii) demonstrated to the Company's satisfaction that the Facility is in compliance with all regulations, rules, orders, or decisions of any governmental or regulatory authority having jurisdiction over the Facility's generating equipment or the operation of such equipment.~~

~~7.5 Any proposed modifications to the electrical equipment of the Facility will be submitted to the Company for approval. It is further understood that the scope of some modifications may require new interconnection studies that will result in additional interconnections costs along with other costs detailed in Section 5 of the Agreement. After any approved Facility modifications are completed, the QF shall not resume parallel operation with the Company's system until the QF has demonstrated that it is in compliance with all the requirements of section 8.2 hereof.~~

~~7.6 The QF shall be responsible for coordination and synchronization of the Facility's equipment with the Company's electrical system, and assumes all responsibility for damage that may occur from improper coordination or synchronization of the generator with the utility's system.~~

~~7.7 The Company shall have the right to open and lock, with a Company padlock, manual disconnect switch numbers(s) \_\_\_\_\_ and isolate the Facility's generation system without prior notice to the QF. To the extent practicable, however, prior notice shall be given. Any of the following conditions shall be cause for disconnection:~~

- ~~1. Company system emergencies and/or maintenance repair and construction requirements;~~
- ~~2. hazardous conditions existing on the Facility's generating or protective equipment as determined by the Company;~~
- ~~3. adverse effects of the Facility's generation to the Company's other electric consumers and/or system as determined by the Company;~~
- ~~4. failure of the QF to maintain any required insurance; or~~

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL  
EFFECTIVE:



SECTION No. IX  
FIRST-SECOND REVISED SHEET No. 9.706  
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5.0 Payment Obligation for Operation, Maintenance and Repair of the Company's Interconnection Facilities

The QF shall be billed monthly for the costs associated with the operation, maintenance, and repair of the interconnection. These include (a) the Company's inspections of the interconnection and (b) maintenance of any equipment beyond that which would be required to provide normal electric service to the Qualifying Facility if no sales to the Company were involved.

The QF shall pay a monthly charge equal to 0.50% of the Interconnection Costs less the Interconnection Costs Offset.

6.0 Schematic Diagram

Exhibit B-1, attached hereto and made a part hereof, is a schematic diagram showing the major circuit components connecting the Facility and the Company's [substation] and showing the Point of Delivery and the Point of Metering and/or Point of Ownership, if different. All switch number designations initially left blank on Exhibit B-1 will be inserted by the Company on or before the date on which the Facility first operates in parallel with the Company's system.

7.0 Operating Standards

7.1 The QF and the Company will independently provide for the safe operation of their respective facilities, including periods during which the other Party's facilities are unexpectedly energized or de-energized.

7.2 The QF shall reduce, curtail, or interrupt electrical generation or take other appropriate action for so long as it is reasonably necessary, which in the judgment of the QF or the Company may be necessary to operate and maintain a part of either Party's system, to address, if applicable, an Emergency Condition on either Party's system. The QF shall also reduce, curtail, or interrupt electrical generation during the situations defined in Rule 25-17.086, F.A.C.

7.3 The operation and net energy deliveries to the Company from the QF shall not exceed the amount studied and approved by the Company's pursuant to the studies performed under this Agreement.

~~5. failure of the QF to comply with any existing or future regulations, rules, orders or decisions of any governmental or regulatory authority having jurisdiction over the Facility's electric generating equipment or the operation of such equipment.~~

~~7.8 The Facility's electric generation equipment shall not be operated in parallel with the Company's system when auxiliary power is being provided from a source other than the Facility's electric generation equipment.~~

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL  
EFFECTIVE:



SECTION No. IX  
~~FIRST SECOND REVISED SHEET No. 9.706~~  
~~CANCELS ORIGINAL FIRST REVISED SHEET No. 9.706~~

~~7.9 Neither Party shall operate switching devices owned by the other Party, except that the Company may open the manual disconnect switch number(s) \_\_\_\_\_ owned by the QF pursuant to section 7.7 hereof.~~

~~7.10 Should one Party desire to change the operating position of a switching device owned by the other Party, the following procedures shall be followed:~~

- ~~(i) The Party requesting the switching change shall orally agree with an authorized representative of the other Party regarding which switch or switches are to be operated, the requested position of each switching device, and when each switch is to be operated.~~
- ~~(ii) The Party performing the requested switching shall notify the requesting Party when the requested switching change has been completed.~~
- ~~(iii) Neither Party shall rely solely on the other party's switching device to provide electrical isolation necessary for personnel safety. Each Party will perform work on its side of the Point of Ownership as if its facilities are energized or test for voltage and install grounds prior to beginning work.~~
- ~~(iv) Each Party shall be responsible for returning its facilities to approved operating conditions, including removal of grounds, prior to the Company authorizing the restoration of parallel operation.~~
- ~~(v) The Company shall install one or more red tags similar to the red tag shown in Exhibit B 2 attached hereto and made a part hereof, on all open switches. Only Company personnel on the Company's switching and tagging list shall remove and/or close any switch bearing a Company red tag under any circumstances.~~

~~7.11 Should any essential protective equipment fail or be removed from service for maintenance or construction requirements, the Facility's electric generation equipment shall be disconnected from the Company's system. To accomplish this disconnection, the QF shall either (i) open the generator breaker number(s) \_\_\_\_\_; or (ii) open the manual disconnect switch number(s) \_\_\_\_\_.~~

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL  
EFFECTIVE:



SECTION No. IX  
FIRST-SECOND REVISED SHEET No. 9.707  
~~CANCELS ORIGINAL FIRST REVISED SHEET No. 9.707~~

7.4 The QF shall not operate the Facility's electric generation equipment in parallel with the Company's system without prior written consent of the Company. Such consent shall not be given until the QF has satisfied all criteria under the Power Purchase Agreement, if applicable and has:

- (i) submitted to and received consent from the Company of its as-built electrical specifications;
- (ii) demonstrated to the Company's satisfaction that the Facility is in compliance with the insurance requirements of the Power Purchase Agreement, if applicable; and
- (iii) demonstrated to the Company's satisfaction that the Facility is in compliance with all regulations, rules, orders, or decisions of any governmental or regulatory authority having jurisdiction over the Facility's generating equipment or the operation of such equipment.

7.5 Any proposed modifications to the electrical equipment of the Facility will be submitted to the Company for approval. It is further understood that the scope of some modifications may require new interconnection studies that will result in additional interconnections costs along with other costs detailed in Section 5 of the Agreement, and such costs shall be the sole responsibility of the QF. After any approved Facility modifications are completed, the QF shall not resume parallel operation with the Company's system until the QF has demonstrated that it is in compliance with all the requirements of section 8.2 hereof.

7.6 The QF shall be responsible for coordination and synchronization of the Facility's equipment with the Company's electrical system, and assumes all responsibility for damage that may occur from improper coordination or synchronization of the generator with the utility's system.

7.7 The Company shall have the right to open and lock, with a Company padlock, manual disconnect switch numbers(s) and isolate the Facility's generation system without prior notice to the QF. To the extent practicable, however, prior notice shall be given. Any of the following conditions shall be cause for disconnection:

- 1. Emergency Conditions and/or maintenance repair and construction requirements;
- 2. hazardous conditions existing on the Facility's generating or protective equipment as determined by the Company;
- 3. adverse effects of the Facility's generation to the Company's other electric consumers and/or system as determined by the Company;
- 4. failure of the QF to maintain any required insurance; or

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL  
EFFECTIVE:



SECTION No. IX  
FIRST SECOND REVISED SHEET No. 9.707  
CANCELS ORIGINAL FIRST REVISED SHEET No. 9.707

~~7.11.1 If the QF elects option (i), the breaker assembly shall be opened and drawn out by QF personnel. As promptly as practicable, Company personnel shall install a Company padlock and a red tag on the breaker enclosure door.~~

~~7.11.2 If the QF elects option (ii), the switch shall be opened by QF personnel or by Company personnel and, as promptly as practicable, Company personnel will install a Company padlock and a red tag.~~

### ~~8.0 Inspection and Testing~~

~~8.1 The inspection and testing of all electrical relays governing the operation of the generator's circuit breaker shall be performed in accordance with manufacturer's recommendations, but in no case less than once every 12 months. This inspection and testing shall include, but not be limited to, the following:~~

- ~~(i) electrical checks on all relays and verification of settings electrically;~~
- ~~(ii) cleaning of all contacts;~~
- ~~(iii) complete testing of tripping mechanisms for correct operating sequence and proper time intervals; and~~
- ~~(iv) visual inspection of the general condition of the relays.~~

~~8.2 In the event that any essential relay or protective equipment is found to be inoperative or in need of repair, the QF shall notify the Company of the problem and cease parallel operation of the generator until repairs or replacements have been made. The QF shall be responsible for maintaining records of all inspections and repairs and shall make said records available to the Company upon request.~~

~~8.3 The Company shall have the right to operate and test any of the Facility's protective equipment to assure accuracy and proper operation. This testing shall not relieve the QF of the responsibility to assure proper operation of its equipment and to perform routine maintenance and testing.~~

### ~~9.0 Notification~~

~~9.1 Communications made for emergency or operational reasons may be made to the following persons and shall thereafter be confirmed promptly in writing:~~

~~To The Company: System Dispatcher on Duty  
Title: System Dispatcher  
Telephone: (727)384-7211  
Telecopier: (727)384-7865~~

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL  
EFFECTIVE:



SECTION No. IX  
FIRST-SECOND REVISED SHEET No. 9.708  
CANCELS ORIGINAL-FIRST REVISED SHEET No. 9.708

5. failure of the QF to comply with any existing or future regulations, rules, orders or decisions of any governmental or regulatory authority having jurisdiction over the Facility's electric generating equipment or the operation of such equipment.

7.8 The Facility's electric generation equipment shall not be operated in parallel with the Company's system when auxiliary power is being provided from a source other than the Facility's electric generation equipment.

7.9 Neither Party shall operate switching devices owned by the other Party, except that the Company may open the manual disconnect switch number(s) \_\_\_\_\_ owned by the QF pursuant to section 7.7 hereof.

7.10 Should one Party desire to change the operating position of a switching device owned by the other Party, the following procedures shall be followed:

(i) The Party requesting the switching change shall orally agree with an authorized representative of the other Party regarding which switch or switches are to be operated, the requested position of each switching device, and when each switch is to be operated.

(ii) The Party performing the requested switching shall notify the requesting Party when the requested switching change has been completed.

(iii) Neither Party shall rely solely on the other party's switching device to provide electrical isolation necessary for personnel safety. Each Party will perform work on its side of the Point of Ownership as if its facilities are energized or test for voltage and install grounds prior to beginning work.

(iv) Each Party shall be responsible for returning its facilities to approved operating conditions, including removal of grounds, prior to the Company authorizing the restoration of parallel operation.

(v) The Company shall install one or more red tags on all open switches. Only Company personnel on the Company's switching and tagging list shall remove and/or close any switch bearing a Company red tag under any circumstances.

7.11 Should any essential protective equipment fail or be removed from service for maintenance or construction requirements, the Facility's electric generation equipment shall be disconnected from the Company's system. To accomplish this disconnection, the QF shall either (i) open the generator breaker number(s) \_\_\_\_\_; or (ii) open the manual disconnect switch number(s) \_\_\_\_\_.

To The QF: Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Telecopier: \_\_\_\_\_

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL  
EFFECTIVE:



SECTION No. IX  
FIRST SECOND REVISED SHEET No. 9.708  
CANCELS ORIGINAL FIRST REVISED SHEET No. 9.708

~~9.2 Each Party shall provide as much notification as practicable to the other Party regarding planned outages of equipment that may affect the other Party's operation.~~

~~10.1 Standards~~

~~Interconnection with, and delivery into, the Company's system must be accomplished in accordance with the provisions of FPSC Rule 25-17.087. Additionally, as provided in FPSC Order No. PSC-06-0707 PAA-EL, issued August 18, 2006, in Docket No. 060410-EL, for a QF that is a Distributed Resource, the QF's interconnection with the Company's system must be accomplished in accordance with the provisions of the IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems that is in effect at the time of construction.~~

~~10.1 The following minimum guidelines shall also be met:~~

~~a. The governor control on the prime mover shall be capable of maintaining the generator output frequency within limits for loads from no load up to rated output. The limits for frequency shall be 60 hertz (cycles per second), plus or minus an instantaneous variation of less than 1%.~~

~~b. The regulator control shall be capable of maintaining the generator output voltage within limits from no load up to rated output. The limits for voltage shall be the nominal operating voltage, plus or minus 5%.~~

~~e. The output sine wave distortion shall be deemed acceptable with it does not have a higher content (root mean squared) of harmonics than the Company's normal harmonic content at the interconnection point.~~

~~d. The QF's generation shall be designed, operated, and controlled to provide reactive power requirements from 0.95 lagging to 0.95 leading power factor at the point of interconnection with the Company. Induction generators shall have static capacitors that provide at least 95% of the magnetizing current requirements of the induction generator field. (Capacitors shall not be so large as to permit self-excitation of the QF's generator field.)~~

~~e. Direct current (DC) generators may be operated in parallel with the Company's system through a synchronous inverter. The inverter must meet all the criteria in this Agreement.~~

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL  
EFFECTIVE:



SECTION No. IX  
FIRST SECOND REVISED SHEET No. 9.709  
CANCELS ORIGINAL FIRST REVISED SHEET No. 9.709

7.11.1 If the QF elects option (i), the breaker assembly shall be opened and drawn out by QF personnel. As promptly as practicable, Company personnel shall install a Company padlock and a red tag on the breaker enclosure door.

7.11.2 If the QF elects option (ii), the switch shall be opened by QF personnel or by Company personnel and, as promptly as practicable, Company personnel will install a Company padlock and a red tag.

#### 8.0 Inspection and Testing

8.1 The inspection and testing of all electrical relays governing the operation of the generator's circuit breaker shall be performed in accordance with manufacturer's recommendations, but in no case less than once every 12 months. This inspection and testing shall include, but not be limited to, the following:

- (i) electrical checks on all relays and verification of settings electrically;
- (ii) cleaning of all contacts;
- (iii) complete testing of tripping mechanisms for correct operating sequence and proper time intervals; and
- (iv) visual inspection of the general condition of the relays.

8.2 In the event that any essential relay or protective equipment is found to be inoperative or in need of repair, the QF shall notify the Company of the problem and cease parallel operation of the generator until repairs or replacements have been made. The QF shall be responsible for maintaining records of all inspections and repairs and shall make said records available to the Company upon request.

8.3 The Company shall have the right to operate and test any of the Facility's protective equipment to assure accuracy and proper operation. This testing shall not relieve the QF of the responsibility to assure proper operation of its equipment and to perform routine maintenance and testing.

#### 9.0 Notification

9.1 Communications made for emergency or operational reasons may be made to the following persons and shall thereafter be confirmed promptly in writing:

To The Company: System Dispatcher on Duty  
Title: System Dispatcher  
Telephone: (727)384-7211  
Telecopier: (727)384-7865

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL  
EFFECTIVE:





SECTION No. IX  
FIRST SECOND REVISED SHEET No. 9.709  
CANCELS ORIGINAL FIRST REVISED SHEET No. 9.709

~~EXHIBIT B-1~~

~~Exhibit B-1 will be unique for each Facility  
and must be complete prior to parallel  
operation with the Company~~

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL  
EFFECTIVE:



SECTION No. IX  
ORIGINAL FIRST REVISED SHEET No. 9.710  
CANCELS ORIGINAL SHEET No. 9.710

To The QF: Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Telecopier: \_\_\_\_\_

9.2 Each Party shall provide as much notification as practicable to the other Party regarding planned outages of equipment that may affect the other Party's operation.

#### 10.0 Standards

Interconnection with, and delivery into, the Company's system must be accomplished in accordance with the provisions of FPSC Rule 25-17.087. Additionally, as provided in FPSC Order No. PSC-06-0707-PAA-EI, issued August 18, 2006, in Docket No. 060410-EI for a QF that is a Distributed Resource, the QF's interconnection with the Company's system must be accomplished in accordance with the provisions of the IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems that is in effect at the time of construction.

10.1 The following minimum guidelines shall also be met:

- a. The governor control on the prime mover shall be capable of maintaining the generator output frequency within limits for loads from no-load up to rated output. The limits for frequency shall be 60 hertz (cycles per second), plus or minus an instantaneous variation of less than 1%.
- b. The regulator control shall be capable of maintaining the generator output voltage within limits from no-load up to rated output. The limits for voltage shall be the nominal operating voltage, plus or minus 5%.
- c. The output sine wave distortion shall be deemed acceptable when it does not have a higher content (root mean squared) of harmonics than the Company's normal harmonic content at the interconnection point.
- d. The QF's generating equipment shall be designed, operated, and controlled to provide reactive power requirements from 0.95 lagging to 0.95 leading power factor at the point of interconnection with the Company. Induction generators shall have static capacitors that provide at least 95% of the magnetizing current requirements of the induction generator field. Capacitors shall not be so large as to permit self-excitation of the QF's generator field.
- e. Direct current (DC) generators may be operated in parallel with the Company's system through a synchronous inverter. The inverter must meet all the criteria in this Agreement.

#### EXHIBIT B-2

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL  
EFFECTIVE:



SECTION No. IX  
~~ORIGINAL FIRST REVISED SHEET No. 9.710~~  
CANCELS ORIGINAL SHEET No. 9.710

~~A switch or switch point (i.e., elbow, open jumpers, etc.) with a red tag attached is open and shall not be closed under any circumstances. After a switch has been red tagged, that switch cannot be closed until the red tag is removed. Red tags can only be removed when authorized by a specific written order.~~

**ISSUED BY:** Javier Portuondo, Director, Rates & Regulatory Strategy - FL  
**EFFECTIVE:**



SECTION No. IX  
ORIGINAL SHEET No. 9.711

11.0 QF Standing and Qualification

The QF is a \_\_\_\_\_ (corporation, partnership, or other, as applicable) duly organized and validly existing in good standing under the laws of \_\_\_\_\_ and has all necessary power and authority to carry on its business as presently conducted to own or hold under lease its properties and to enter into and perform its obligations under this Agreement and all other related documents and agreements to which it is or shall be a Party. QF is duly qualified or licensed to do business in the State of Florida and in all other jurisdictions wherein the nature of its business and operations or the character of the properties owned or leased by it makes such qualification or licensing necessary and where the failure to be so qualified or licensed would impair its ability to perform its obligations under this Agreement or would result in a liability to Company or would have any adverse effect on Company.

12. Insurance

12.1 The QF shall procure or cause to be procured and shall maintain throughout the entire Term of this Agreement, a policy or policies of liability insurance issued by an insurer acceptable in the state of Florida on a standard "Insurance Services Office" commercial general liability and/or excess liability form or equivalent and Workers' Compensation in accordance with the statutory requirements of the state of Florida (such policy or policies, collectively, the "QF Insurance"). A certificate of insurance shall be delivered to the Company at least fifteen (15) calendar days prior to the start of any interconnection work. At a minimum, the QF Insurance shall contain (a) an endorsement providing coverage, including products liability/completed operations coverage for the term of this Agreement, and (b) premises and operations liability, (c) a broad form contractual liability endorsement covering liabilities (i) which might arise under, or in the performance or nonperformance of, this Agreement or (ii) caused by operation of the Facility or any of the QF's equipment Without limiting the foregoing, the QF Insurance must be reasonably acceptable to the Company. Any premium assessment or deductible shall be for the account of the QF and not the Company.

12.2 The QF Insurance for liability shall have a minimum limit of one million dollars (\$1,000,000.00) per occurrence for bodily injury (including death) or property damage. This liability limit can be met by any combination of commercial general and excess liability insurance policies.

12.3 To the extent that the QF Insurance is on a "claims made" basis, the retroactive date of the policy(ies) shall be the Effective Date of this Agreement or an earlier date. Furthermore, to the extent the QF Insurance is on a "claims made" basis, the QF's duty to provide insurance coverage shall survive the termination of this Agreement until the expiration of the maximum statutory period of limitations in the State of Florida for actions based in contract or in tort. To the extent the QF Insurance is on an "occurrence" basis, such insurance shall be maintained in effect at all times by the QF during the term of this Agreement.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL  
EFFECTIVE:



SECTION No. IX  
ORIGINAL SHEET No. 9.712

12.4 The QF shall provide the Company with a copy of any material communication or notice related to the QF Insurance within ten (10) Business Days of the QF's receipt or issuance thereof.

12.5 The Company shall be designated as an additional named insured under the QF Insurance (except Workers' Compensation). The QF Insurance shall be primary to any coverage maintained by the Company and provide, where permitted by law, waiver of any rights of subrogation against the Company. Any deductibles or retentions shall be the sole responsibility of QF. QF's compliance with these provisions and the limits of insurance specified herein shall not constitute a limitation of QF's liability or otherwise affect QF's indemnification obligations pursuant to this Agreement. Any failure to comply with all of these provisions shall not be deemed a waiver of any rights of the Company under this Agreement with respect to any insurance coverage required hereunder. The Company may request the QF to provide a copy of any or all of its required insurance policies, including endorsements in which the Company is included as an additional insured for any claims filed relative to this Agreement.

### 13. Event of Default

13.1 Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Section 13.2, the defaulting Party shall have five (5) Business Days from receipt of the Default notice within which to cure such Default.

13.2 If a Default is not cured as provided in this Section, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this section will survive termination of this Agreement.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL  
EFFECTIVE:



SECTION No. IX  
ORIGINAL SHEET No. 9.713

14. Termination

This Agreement shall terminate upon any of the following events:

- (a) at the time when the nature of the QF's service changes in such a way as to alter the manner in which the QF delivers power to the Company; or
- (b) pursuant to the procedure set forth in Section 13.2; or
- (c) as set forth in Section 3.3; or
- (d) termination of the Power Purchase Agreement; or
- (e) upon 30 days' notice by the QF to the Company.

15. Assignment

Any assignment by QF of this Agreement and the rights and obligations hereunder shall be made only with the written consent of the Company, which consent shall not be unreasonably withheld and shall be subject to credit, payment, tax, and performance assurances.

16. Governing Law and Jurisdiction.

This Agreement and the rights and duties hereunder shall be governed by and construed, enforced and performed in accordance with the Laws of the State of Florida, without regard to principles of conflicts of law.

17. Mutual Representations

QF and Company each hereby represents and warrants to the other the following: (i) each has the capacity, authority, and power to execute, deliver, and perform under this Agreement; (ii) this Agreement constitutes legal, valid, and binding obligations enforceable against it; (iii) each person who executes this Agreement on behalf of each party has full and complete authority to execute and bind such party to this Agreement as an authorized representative of such party; (iv) each is acting on its own behalf and has made its own independent decision to bind itself under this Agreement; and, (v) each has completely read, fully understands, and voluntarily accepts every provision of this Agreement.

18. Entire Agreement

This Agreement constitutes the entire agreement and arrangement between the QF and Company relating to the subject matter herein. This Agreement shall not be binding and effective unless duly executed by an authorized officer of QF and delivered by QF to Company, and upon receipt of such duly executed document is executed by Company and delivered by Company to QF.

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL  
EFFECTIVE:



SECTION No. IX  
ORIGINAL SHEET No. 9.714

EXHIBIT B-1

Exhibit B-1 will be unique for each Facility  
and must be complete prior to parallel  
operation with the Company

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL  
EFFECTIVE:



SECTION No. IX  
ORIGINAL SHEET No. 9.715

IN WITNESS WHEREOF, the QF has executed this Agreement on the date set forth below.

OF

Signature

Print Name

Title

Date

IN WITNESS WHEREOF, the Company has acknowledged receipt of this executed Agreement.

DUKE ENERGY FLORIDA, LLC.

Signature

Print Name

Title

Date

ISSUED BY: Javier Portuondo, Director, Rates & Regulatory Strategy - FL  
EFFECTIVE: