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May 19, 2021

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

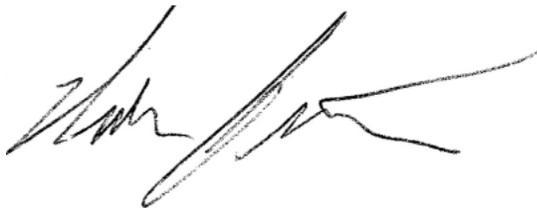
**Re: Petition of PECO Energy Company for Waiver of Standard Interconnection
Application and Agreement Forms – Collegeville
Docket No. P-2021-**

Dear Secretary Chiavetta:

Enclosed please find the Petition of PECO Energy Company for Waiver of Standard Interconnection Application and Agreement Forms in the above-referenced matter.

If you have any questions, please feel free to contact me at your convenience.

Respectfully,



Brandon J. Pierce, Esq.
Assistant General Counsel

Enclosures

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF PECO ENERGY :
COMPANY FOR WAIVER OF : DOCKET NO. P-2021-
STANDARD INTERCONNECTION :
APPLICATION AND AGREEMENT :
FORMS :

CERTIFICATE OF SERVICE

I certify and affirm that I have this day served a copy of the *Petition of PECO Energy Company for Waiver of Standard Interconnection Application and Agreement Forms* in the above-referenced docket, on the following persons in the matter specified with the requirements of 52 Pa. Code § 1.54:

VIA ELECTRONIC MAIL:

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
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rchiavetta@pa.gov

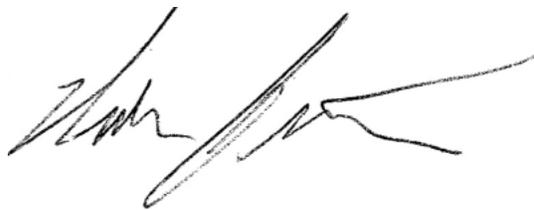
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Dated: May 19, 2021

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF PECO ENERGY	:	
COMPANY FOR WAIVER OF	:	DOCKET NO. P-2021-
STANDARD INTERCONNECTION	:	
APPLICATION AND AGREEMENT	:	
FORMS	:	

VERIFICATION

I, Brian Barr, hereby declare that I am Manager, New Business, for PECO Energy Company; that as such I am authorized to make this verification on its behalf; that the facts set forth in the foregoing pleading are true to the best of my knowledge, information and belief, and that I make this verification subject to the penalties of 18 Pa. C.S. § 4904 pertaining to false statements to authorities.

Dated: May 19, 2021



**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF PECO ENERGY :
COMPANY FOR WAIVER OF : DOCKET NO. P-2021-
STANDARD INTERCONNECTION :
APPLICATION AND AGREEMENT :
FORMS :

**PETITION OF PECO ENERGY COMPANY
FOR WAIVER OF STANDARD
INTERCONNECTION APPLICATION AND AGREEMENT FORMS**

I. INTRODUCTION

Pursuant to 52 Pa. Code § 5.41, PECO Energy Company (“PECO” or the “Company”) hereby petitions the Pennsylvania Public Utility Commission (the “Commission”) to approve: 1) a limited, one-time, waiver of the Commission’s requirement that utilities use “standard small generator interconnection agreements” in processing customer interconnection requests;¹ and 2) PECO’s proposed revisions to the indemnification, limitation of liability, and assignment/transfer provisions contained therein, as those provisions pertain to the Pennsylvania Department of Military and Veterans Affairs’ (“DMVA”)² Collegeville solar array project.³ DMVA avers that

¹ According to 52 Pa. Code § 75.38(f), standard small generator interconnection agreements (as defined in 52 Pa. Code § 75.22) must be signed by Customer-Generators before their generating facilities may become fully operational on an interconnected basis.

² DMVA states that it is an agency of the Commonwealth of Pennsylvania has a dual mission: to provide quality service to the Commonwealth’s veterans and their families, and to oversee and support the members of the Pennsylvania National Guard. Created by the Act of April 11, 1793, the Adjutant General Department was later renamed the Department of Military Affairs by the Administrative Code of 1923. The Act of March 21, 1996 changed the name, once again, to what it is known by today – the Department of Military and Veterans Affairs.

³ DMVA seeks to interconnect a 33.3 kW solar array system at Collegeville, Montgomery County, Pennsylvania.

approval of this waiver request is necessary to protect Sovereign Immunity rights, which have been extended to DMVA by statute as a Pennsylvania State agency.⁴

II. BACKGROUND

1. PECO is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal office in Philadelphia, Pennsylvania. PECO provides electric delivery service to approximately 1.6 million customers and natural gas delivery service to approximately 534,000 customers in southeastern Pennsylvania. PECO furnishes electric service within its authorized service territory in Bucks, Chester, Delaware, Montgomery and York Counties and the City of Philadelphia. PECO is a “public utility,” as defined in 66 Pa. C.S. § 2801.

2. On February 7, 2009, the Commission issued an Opinion and Order, which established standard small generator interconnection agreements (“Agreements”)⁵ in accordance with the Alternative Energy Portfolio Standards Act of 2004, 73 P.S. §§ 1648.1 – 1648.8, as amended by Act 35 of 2007 (“AEPS Act”), and the Commission’s regulations at 52 Pa. Code §§ 75.1 *et seq.* A copy of PECO’s Interconnection Application, including the Commission’s standard Interconnection Agreement is attached hereto as Exhibit A.⁶ Local distribution companies (“LDCs”) use these Agreements in processing interconnection project requests (Levels 1-4) submitted by customers.⁷

⁴ See 42 Pa. C.S. § 8522.

⁵ See 52 Pa. Code § 75.22, which defines “standard small generator interconnection agreements”.

⁶ Exhibit A has been blacklined to reflect the proposed changes sought by the Company’s Petition.

⁷ See *Implementation of the Alternative Energy Portfolio Standards Act of 2004; Standard Interconnection Application Forms*; Docket No M-00051865 (Opinion and Order entered February 27, 2009), hereinafter referred to as the February 27, 2009 Opinion and Order.

3. PECO has consistently used the standard Agreements adopted by the Commission for approved interconnection projects that have been integrated into the distribution system.

4. Among other things, the standard Agreements contain the following indemnification, limitation of liability, and assignment/transfer provisions:

9. Indemnification. The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, and actions relating to injury to or death of any person or damage to property, demand suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under these terms and conditions on behalf of the indemnifying Party, except in case of gross negligence or intentional wrongdoing by the indemnified Party.

10. Limitation of Liability. Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of these terms and conditions, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential or punitive damages of any kind whatsoever.

14. Assignment/Transfer of Ownership of the Customer-Generator Facility. This Application/Agreement shall survive the transfer of ownership of the Customer-Generator Facility to a new owner unless the new owner terminates this Application/Agreement and so notifies the Company in writing. The Company will be responsible for contacting the new customer to execute a new Application/Agreement or assignment agreement, in order for the new owner to be treated as a Net Metering customer.

5. DMVA submitted a Level 2 interconnection application to PECO for its 33.3 kW solar array system at Collegeville, Montgomery County, Pennsylvania.

6. After submitting its Level 2 interconnection application, DMVA informed PECO that, as an agency of the Commonwealth of Pennsylvania, it could not agree to:

- Indemnify third parties for damages, losses or claims; or
- Include attorney fees as part of its limited liability for direct damages.

7. DMVA expressed concern with including these provisions in the Agreement because doing so could constitute a waiver of its Sovereign Immunity rights as a State agency. The Constitution of the Commonwealth of Pennsylvania provides that an action may be brought against the Commonwealth and its agents when a cause of action against it exists and when a right of action has been authorized by statute.⁸ The General Assembly has specified that the Commonwealth and its agents remain immune from suit, except when immunity is specifically waived.⁹ The General Assembly has specifically waived Sovereign Immunity for Commonwealth parties in limited cases.¹⁰ The subject matter of the underlying Level 2 interconnection application does not involve any of the Sovereign Immunity waivers specified in 42 Pa. C.S. § 8522.

8. Accordingly, to remove any doubt regarding DMVA's immunity from suit in this Agreement, DMVA asked PECO to revise Section 9 (Indemnification) and Section 10 (Limitation of Liability) of the Agreement to protect its Sovereign Immunity rights.

9. Further, PECO seeks permission to revise Section 14 (Assignment/Transfer of Ownership of the Customer-Generator Facility) to ensure that PECO is likewise protected in the event that DMVA would seek to assign or transfer the ownership of its facilities to a third party. The proposed change will permit the Company to re-insert all of the standard Agreement language removed for DMVA's benefit.

⁸ See Pa. Const. Art. 1 § 11.

⁹ See 42 Pa. C.S. § 8522.

¹⁰ See 42 Pa. C.S. § 8522. The instances in which the General Assembly has specifically waived liability consist of actions involving: 1) vehicle liability; 2) medical-professional liability; 3) care custody or control of personal property; 4) Commonwealth real estate, highways and sidewalks; 5) potholes and other dangerous conditions; 6) care, custody or control of animals; 7) liquor store sales; 8) National Guard activities; and 9) Toxoids and vaccines.

10. PECO has previously sought a limited, one-time waiver of 52 Pa. Code § 75.38(f) for similar revisions to another interconnection application, which the Commission granted.¹¹

III. PETITION FOR WAIVER

11. To protect and maintain DMVA's inherent rights to Sovereign Immunity, PECO respectfully requests that the Commission grant a limited, one-time, waiver of 52 Pa. Code § 75.38(f), which requires that Customer-Generators sign standard small generator interconnection agreements (as that term is defined in 52 Pa. Code § 75.22). As explained in more detail below, PECO proposes to remove Section 9 (Indemnification) in its entirety, which will eliminate DMVA's responsibility for indemnifying third parties for damages. PECO also proposes to revise Section 10 (Limitation of Liability), which will remove DMVA's liability for attorneys' fees. Finally, PECO proposes to revise Section 14 (Assignment/Transfer of Ownership of the Customer-Generator Facility) to protect PECO in the event DMVA would assign or transfer its facilities by permitting PECO to amend the Agreement to re-insert all of the standard Agreement language removed for DMVA's benefit.

12. According to 52 Pa. Code § 75.22, the Agreements must consist of a set of standard forms, which have been approved by the Commission:

Standard small generator interconnection agreement – A set of standard forms of interconnection agreements approved by the Commission which is applicable to interconnection requests pertaining to small generating facilities.¹²

¹¹ See *Petition of PECO Energy Company for Waiver of Standard Interconnection Application and Agreement Forms*, Docket No. P-2018-3004086 (Order entered September 20, 2018), hereinafter the September 20, 2018 Order.

¹² 52 Pa. Code § 75.22.

13. In its February 27, 2009 Opinion and Order, the Commission established the standard terms to be included in the form Agreements, which include indemnification and limitation of liability provisions.

14. According to 52 Pa. Code § 75.38(f), the standard Commission-approved agreements must be signed by Customer-Generators before their generating facilities may become fully operational on an interconnected basis.

15. Accordingly, before the Level 2 Agreement is signed by DMVA, PECO requests that the Commission waive its requirement to use the standard Agreement and permit PECO to make the following revisions thereto:

~~**9. Indemnification.** The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under these terms and conditions on behalf of the indemnifying Party, except in case of gross negligence or intentional wrongdoing by the indemnified Party.~~

~~**10. Limitation of Liability.** Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable excluding payment of any attorney's fees, relating to or arising from any act or omission in its performance of these terms and conditions, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential or punitive damages of any kind whatsoever.~~

~~**14. Assignment/Transfer of Ownership of the Customer-Generator Facility.** This Application/Agreement shall survive the transfer of ownership of the Customer-Generator Facility to a new owner unless the new owner terminates this Application/Agreement and so notifies the Company in writing. The Customer-Generator will not assign this Application/Agreement or transfer ownership of the Customer Generator Facility to a third party without the prior, written consent of PECO, which may require the Application/Agreement to be amended to re-insert the standard Level 2, 3 or 4 Interconnection Agreement provisions altered by the Pennsylvania Public Utility Commission's Order approving the Waiver~~

of such standard Agreement. The Company will be responsible for contacting the new customer to execute a new Application/Agreement or assignment agreement, in order for the new owner to be treated as a Net Metering customer.

16. The above-proposed revisions to the standard Agreement, if approved, will have the effect of protecting DMVA's Sovereign Immunity rights by: 1) eliminating DMVA's responsibility for indemnifying third parties for damages, losses, or claims; and 2) removing attorney fees from DMVA's limited liability for direct damages. Additionally, the revisions will protect PECO in the event that DMVA seeks to assign or transfer its ownership of the facilities to a third party by permitting PECO to re-insert the Commission's standard Agreement language that was removed for DMVA's benefit.

17. PECO notes that Commission precedent exists for granting such a waiver request. On August 15, 2018, PECO filed a petition similarly requesting waiver of the Commission's standard interconnection forms to accommodate the Department of Conservation and Natural Resources' ("DCNR") need to modify the Commission's standard indemnification and limitation of liability provisions.¹³ Similar to the instant case, DCNR sought to interconnect a 25kW solar array at Fort Washington State Park, Montgomery County, Pennsylvania. In approving PECO's waiver request, the Commission made the following findings:

¹³ See *Petition of PECO Energy Company for Waiver of Standard Interconnection Application and Agreement Forms*, Docket No. P-2018-3004086 (PECO did not seek to amend the language in Section 14 in that proceeding). Additionally, the Commission approved a request made by Metropolitan Edison Company ("Met-Ed"), *Petition of Metropolitan Edison Company for Waiver of Standard Interconnection Application and Agreement Forms*, Docket No. P-2011-2238314 (Order entered October 28, 2011).

Further, the Commission has approved requests made by Met-Ed and West Penn Power Company for other DCNR and DMVA solar interconnections seeking similar waiver language. See *Petition of Metropolitan Edison Company for Waiver of Standard Interconnection Application and Agreement Forms*, Docket No. P-2018-3005197 (Order entered December 6, 2018); see also *Petition of West Penn Power Company for Waiver of Standard Interconnection Application and Agreement Forms*, Docket No. P-2018-3000113 (Order entered May 3, 2018).

- It is well-settled that the Commonwealth of Pennsylvania, its officials and agencies are entitled to statutory sovereign immunity as set forth in 1 Pa. C.S.A. § 2310.¹⁴
- DCNR is a Commonwealth agency for purposes of the Sovereign Immunity Act. 42 Pa. C.S. §§ 8521-28.¹⁵
- As a result, DCNR is insulated from liability except in certain specified circumstances where the General Assembly has waived sovereign immunity protection. 42 Pa. C.S.A. § 8521(a); 85.22(a) and (b).¹⁶
- DCNR's supplemental filing arguments from the 2011 Met-Ed Petition remain valid.¹⁷
- Retaining the indemnification clause in the standardized interconnection agreement with DCNR would have the effect of placing the Commonwealth, its assets and the Pennsylvania General Fund at risk, because an indemnification clause would expose the Commonwealth to liability for tort actions beyond what is statutorily allowed.¹⁸
- There is no waiver exception of sovereign immunity in those instances where a state agency enters into an interconnection agreement with a public utility.¹⁹
- Requiring DCNR to execute the standardized interconnection agreement form that retains the Indemnification and Limitation of Liability provisions would constitute of waiver of sovereign immunity.²⁰

¹⁴ September 20, 2018 Order at 3.

¹⁵ September 20, 2018 Order at 4.

¹⁶ September 30, 2018 Order at 4.

¹⁷ The October 28, 2011 Order found that, based upon review of the case law presented by DCNR regarding sovereign immunity, the Commission agreed that it was appropriate to remove Indemnification and Limitation of Liability provisions set forth in the standardized interconnection agreements used by Met-Ed for the particular interconnection project with DCNR. October 28, 2011 Order at 5-6.

¹⁸ September 20, 2018 Order at 4.

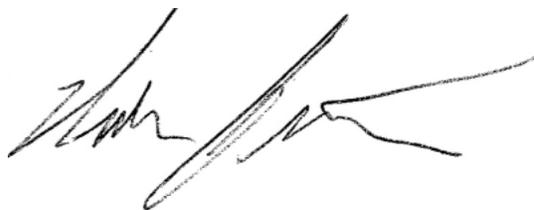
¹⁹ September 20, 2018 Order at 4.

²⁰ September 20, 2018 Order at 4.

18. Based on these findings, the Commission granted PECO's waiver request.²¹ Accordingly, PECO requests that the Commission apply the above-listed findings from its September 20, 2018 Order to the instant Petition and approve PECO's waiver request. Upon approval, PECO will modify its Agreement with the DMVA to incorporate the proposed revisions set forth in Paragraph 15 above.²²

IV. CONCLUSION

PECO Energy Company respectfully requests that the Pennsylvania Public Utility Commission enter an Order granting the Company's waiver request to modify the Commission's standard small generator interconnection agreement for the Pennsylvania Department of Military and Veterans Affairs' Collegeville solar array project.



Dated: May 19, 2021

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PECO Energy Company
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Brandon.Pierce@exeloncorp.com

²¹ September 20, 2018 Order at 5.

²² Inasmuch as Paragraph 9 of the standard Agreement is being removed in its entirety, the paragraph numbering throughout the remainder of the agreement will be revised accordingly.



INTERCONNECTION APPLICATION

For a Level 2, 3 or 4 Review – Applicants proposing to install generation approaching 2,000 kW or larger should contact PECO for guidance in determining the appropriate application process.

(To be filled out and submitted prior to installation)

CUSTOMER GENERATOR CONTACT INFORMATION

Legal Name and Mailing Address of Customer-Generator: (if an Individual, Individual's Name)

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Contact Person (If other than Above): _____

Mailing Address (If other than Above): _____

Telephone (Daytime): _____ (Evening): _____

Facsimile Number: _____ E-Mail Address: _____

Alternative Contact Information: (if different from Customer-Generator above)

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Daytime): _____ (Evening): _____

Facsimile Number: _____ E-Mail Address: _____

The Customer-Generator Facility's Information:

Facility Address: _____

City: _____ State: PA Zip Code: _____

Nearest Crossing Street: _____

Electric Distribution Company: **PECO**

Account #: _____ Meter #: _____

Existing Service Voltage: _____ VAC Existing Service Capacity: _____ Amps Select Phase

Current Annual Energy Consumption: _____ kWh Estimated In-service Date: _____

Do you plan to export power? Select

If Yes, Estimated Maximum: _____ kW_{AC}, Estimated Gross Annual Energy Production: _____ kWh

One-line Diagram Attached (Required): Select Site Plan Attached (Required): Select

Energy Source: Select Gross Generator Rating: _____ kW_{AC}

Utility Accessible Disconnect or Lock Box: Select

System incorporates non-exporting energy storage: Yes No

Do you plan to Net Meter? Yes No

Do you plan to virtually Net Meter multiple accounts? Yes No

Requested Level of Review: Select Type of Generation Equipment: Select

Equipment Installation Contractor: **Indicate by owner if applicable**

Name: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Contact Person (If other than Above): _____
Telephone (Daytime): _____ (Evening): _____
Facsimile Number: _____ E-Mail Address: _____

Electrical Contractor: (If Applicable) **Indicate if not applicable**

Name: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Contact Person (If other than Above): _____
Telephone (Daytime): _____ (Evening): _____
Facsimile Number: _____ E-Mail Address: _____

Consulting Engineer: (If Applicable) **Indicate if not applicable**

Name: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Contact Person (If other than Above): _____
Telephone (Daytime): _____ (Evening): _____
Facsimile Number: _____ E-Mail Address: _____

Application Fee:

The Applicant shall deposit a not refundable application fee which is approved by the Pennsylvania Public Utility Commission and is listed on PECO's Website. Depending on the level of review and nature of the energy generating equipment, additional study and review fees, as permitted by Pennsylvania Public Utility Commission Regulations may be required and are not a part of the aforementioned application fee.

Application Fee Enclosed: Select Amount: _____

Customer-Generator Insurance Disclosure:

General Liability Insurance coverage is not required under the Pennsylvania Public Utility Commission's Regulations. However, the Customer still has responsibility and/or liability for any damage(s) or injury(ies) caused by the Customer-Generator Facility and/or the Customer's Interconnection Facilities. The Customer-Generator is advised to consider obtaining appropriate coverage.

Customer-Generator Signature:

I hereby certify that to the best of my knowledge, all of the information provided in this Application is accurate.

Legal Name of Customer-Generator: _____

Customer-Generator Signature: _____ Date: _____

Printed Name: _____ Title: _____

**Customer-Generator Equipment Information for Inverter Based Systems
(May be applicable to a Level 2, 3 or 4 Review)**

DC Source information:

Energy Source: Select _____

DC Source Rating: _____ kW_{DC}

Nominal DC Voltage: _____ V_{DC}

Ampere Rating: _____ Amps_{DC}

Inverter Information:

Inverter Manufacturer: _____

Inverter Type; Select Type _____

Model Number of Inverter: _____

Number of Units: _____

Inverter Rating: _____ kW_{AC}

Voltage Rating: _____ Volts_{AC}

Ampere Rating: _____ Amps_{AC}

Power Factor: _____ %,

Number of Phases:Select

Frequency: _____ Hz,

IEEE1547/UL1741 Certification: Select

Evidence of Certification attached: Select

Request to Net Meter:

If the Customer-Generator responded “Yes” to the “Do you plan to Net Meter?”, then this application also serves as a request for electric service under PECO’s Rate RS-2 Net Metering Tariff.

Refer to PECO’s Rate RS-2 Net Metering Tariff:

<https://www.peco.com/SiteCollectionDocuments/rateRS2.pdf>

The Customer-Generator qualifies for the Net Metering Rate when its generator uses a fuel approved under the Alternative Energy Portfolio Standards Act, that is located on the Customer-Generator’s premises, operates in parallel with PECO’s distribution system.

The Customer-Generator acknowledges that it has read PECO’s Rate RS-2 Net Metering Tariff and agrees to all terms and conditions contained therein, including without limitation those specified in PECO’s electric service tariff and this Interconnection Agreement. The customer agrees not to operate its generator in parallel with PECO’s electrical distribution system without specific approval in accordance with PECO’s interconnection requirements and the terms and conditions of this Interconnection Agreement.

The Customer-Generator also acknowledges and agrees that operation of Customer-Generator’s generation facility is intended primarily to offset part or all of Customer's electricity requirements in accordance with the Net Energy Metering RS-2 Rate.

The Interconnection Application Process:

To evaluate the connection of your solar (or other distributed energy system(s) to the PECO distribution system there are (5) items which are required in the application process:

1. The service and meter form
2. Site plan
3. Inverter specification sheet
4. Single line diagram
5. Interconnection application along with appropriate payment.

Under most circumstances a developer/contractor will submit this information to PECO. PECO will acknowledge receipt of the application and notify the customer and developer within (10) days to inform them if the application is complete/incomplete. If all information is not complete PECO will be unable to submit the application to engineering. Once PECO determines the application is complete, PECO will notify the customer and developer and submit all documents to engineering for technical review.

Engineering Review:

Engineering has 20 days to complete the review for a Level 2, 3, 4 application, 25 days to complete the review for a Level 4 application over 50kW. At the end of the review Engineering will confirm that the application is approved to connect or conditionally approved and will provide a statement of any required system modifications. If you are conditionally approved PECO will provide options for you to connect. These options are known as “Simple Solutions”. Simple Solutions offered may be to upgrade the triplex coming into your property, move a transformer or pole or allow PECO to offer an inverter option. If the inverter option is selected PECO would require an additional form, “Interconnection Application/Agreement – Addendum for Non-Standard Inverter-Based Distributed Energy Resource Systems” to confirm inverter settings. PECO would also require a picture for documentation of the inverter settings. Some Simple Solutions may require additional customer costs. PECO will provide costs associated with any PECO work. However, PECO does not provide costs associated with customer work. If the customer decides to move forward with the system modifications, the customer/developer will submit a check to PECO and PECO will schedule the work. On larger projects a 10% deposit is required.

The first initial evaluation provides solutions from the meter to the transformer at your site. In a small percentage of cases Engineering may determine that PECO was not able to find a simple solution to enable you to install. If this occurs an Engineering Study is needed. The Engineering Study is a more comprehensive circuit analysis to explore all possible solutions or modifications to accommodate the installation of your system. This will require additional application fees and will take approximately 8 to 10 weeks to study the entire circuit to enable you to safely and reliably connect your system to the PECO distribution system.

Once you agree to a solution, fees are paid, and construction is completed you will receive approval from PECO and the developer/contractor can now safely install the equipment.

Note: Any installation and operation in parallel with PECO done prior to receiving final approval by PECO is done at the customers own risk. Unauthorized operation poses a safety and reliability risks to you and other PECO customers. PECO will not compensate a customer for unauthorized production of any generation. PECO will also not reimburse a customer for voltage fluctuations which may cause an inverter to go off-line. Unauthorized installations and subsequent operations can lead to termination of your electric service.

Approval to Install:

Once your system has been installed your developer/contractor will hire a 3rd party electrical inspector to confirm that the system has been safely installed and meets electrical codes. The 3rd party electrical inspection company will give your developer/contractor an underwriter’s certificate. It is the developer’s responsibility to ensure that the inspection agency send a copy of the certificate to PECO before PECO can exchange your meter (s) for a “bi-directional” meter(s).

The developer is also required to complete the part 2 document of the interconnection agreement and include a picture of the meter box (s). In summary, PECO needs the following 3 pieces of information before issuing the meter exchange:

- 1.) Underwriters certificate
- 2.) Photo of the meter box
- 3.) Completed and signed Part 2 of the Interconnection Agreement

Once all (3) three items are received by PECO, PECO will request the meter to be changed to a bi-directional meter. PECO will set the new bi-directional meter (s) within 10 business days once all documents are received.

Certificate of Completion (COC):

Once the new meter(s) has been installed PECO will send the customer a signed Certificate of Completion. This document confirms that the customer has permission to operate the system.

**Customer-Generator Equipment Information for Parallel Rotating Equipment Based Systems
(May be applicable to a Level 3 or 4 Review)**

It is anticipated that many projects proposing to utilize directly coupled rotating generation may not have the specific information necessary for PECO to adequately evaluate the impact of the proposed facility on PECO's electrical distribution system at the time of the initial application. Often times the equipment for which this information is needed hasn't been specified. The type information necessary may be conveyed during a scoping meeting or other correspondence early on during the project development. Depending on the nature of the project, this is often an iterative process. Different PECO analytical systems may require that data be provided conforming to specific standard formats which will be conveyed by PECO. While not all inclusive, examples of the information commonly required are as follows:

For Synchronous Machines: Copies of the Saturation Curve and the Vee Curve - Salient vs. Non-Salient - Torque: (lb-ft) - Rated RPM - Field Amperes at rated generator voltage and current and % PF over-excited - Maximum Leading and Lagging Reactive Output Power - Type of Exciter - Output Power of Exciter - Type of Voltage Regulator - Direct-axis Synchronous Reactance (X_d) ohms - Direct-axis Transient Reactance (X'_d) ohms - Direct-axis Sub-transient Reactance (X''_d) ohms - Rated Nominal Frequency

For Induction Machines: Rotor Resistance (R_r) ohms - Exciting Current (Amps) - Rotor Reactance (X_r) (ohms) - VARs (No Load) - Magnetizing Reactance (X_m) - Stator Resistance (R_s) - VARs (Full Load) - Stator Reactance (X_s) - Short Circuit Reactance (X''_d) - Number of Phases - Frame Size - Design Letter - Temp. Rise °C

Protective Equipment: The Customer-Generator shall design a protective scheme that will provide the protective functions specified in IEEE 1547 and submit it to PECO for review & acceptance. The submittal shall include a single line drawing showing the location of instrument

transformers (current and voltage) and the location of the relays, breakers and fuses. Indicate the manufacturer and model number of each type of device. Breaker data shall include continuous and interrupting ampere ratings. If relays are used, indicate function, the tripping source and its voltage.

Isolation Transformer: Manufacturer - Manufacturer reference number - Nominal Voltage Ratio – High / Low Voltage Taps - Number of Units - Rated kVA – Percentage Impedance @ kVA base – High / Low Voltage Winding Configuration.

Level 2, 3 or 4 Interconnection Agreement

This Interconnection Agreement ("Agreement") is made and entered into this ____ day of _____, _____, by PECO Energy Company ("PECO or the "Company"), and ____ ("Customer-Generator"), 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, the Parties agree as follows:

- 1) **Scope of Agreement** -- This Agreement sets forth the conditions under which PECO and the Customer-Generator agree that one or more generating facilities as further described in Attachment A, with an installed nameplate gross capacity of ____ kW ("Facility" or "Facilities") may be interconnected to PECO's distribution system. This Agreement is applicable to interconnection requests governed by the rules and Regulations of the Pennsylvania Public Utility Commission.

- 2) **Construction of the Customer-Generator Facility.** The Customer-Generator may proceed to construct (including operational testing not to exceed 2 hours) the Customer-Generator Facility once the approval to install the Customer-Generator Facility has been received from PECO. The Customer-Generator Facility shall be constructed in accordance with information provided in the Interconnection Application, IEEE 1547 and the Pennsylvania Public Utility Commission's Regulations.

The Applicant shall notify PECO of any changes to the proposed Customer-Generator Facility that would be subject to the criteria for a Level 2, 3 or 4 review (E.G., Inverter Manufacturer/Model Number, Size, etc.).

Once an Interconnection Request is deemed complete, any modification to the proposed Customer-Generator Facility that would affect the application review criteria for a Level 2, 3 or 4 review that is not agreed to in writing by PECO, shall require

submission of a new Interconnection Application, subject to the provisions of the Pennsylvania Public Utility Commission's rules and Regulations.

- 3) **Interconnection and Operation.** The Customer-Generator may interconnect and operate the Customer-Generator Facility with PECO's system once all of the following have occurred:
- a) **Electrical Inspection:** Upon completing construction, the Customer-Generator shall have the Customer-Generator Facility inspected or otherwise certified by the local electrical wiring inspection authority having jurisdiction, that the facility meets the requirements of the National Electric Code.
 - b) **Certificate of Completion:** The Applicant shall provide PECO with a completed copy of the Certificate of Completion, including evidence of the electrical inspection by the local authority having jurisdiction. The evidence of completion of the electrical inspection may be provided on inspection forms used by local inspecting authorities.
 - c) **Inspection:** PECO has either completed its inspection or waived the right to inspection in this Agreement. After receipt of the Certificate of Completion, PECO may, upon reasonable notice and at a mutually convenient time, conduct an inspection of the Customer-Generator Facility and observe a Witness Test to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with its requirements.
 - d) **Metering:** Revenue quality metering equipment shall be installed and tested by PECO. (Note: PECO may allow interconnected operations prior to the meter installation.)
 - e) **Acceptance:** PECO's representative has signed and returned the Certificate of Completion or provided notification by electronic mail or other acceptable means that the requirements for interconnection are complete and interconnection of the Customer-Generator Facility is accepted for parallel operation.

- 4) **Periodic Testing.** All interconnection-related protective functions and associated batteries shall be periodically tested at intervals specified by the manufacturer, system integrator, or authority that has jurisdiction over the Customer-Generator Facility interconnection. Periodic test reports or a log for inspection shall be maintained.
- 5) **Safe Operations and Maintenance.** The Customer-Generator shall be fully responsible to operate, maintain, and repair the Customer-Generator Facility as required to ensure that the Customer-Generator Facility complies at all times with the interconnection standards it has been certified to meet.
- 6) **Access.** PECO shall have access to the metering equipment and the disconnecting means of the Customer-Generator Facility at all times. PECO shall provide reasonable notice to the Customer-Generator, when possible, prior to using its right of access. In an emergency or outage situation, where there is no access to an AC disconnecting means such as a switch or breaker, PECO may disconnect the service to the premises.
- 7) **Exterior AC Disconnect Switch / Isolation Device.** Small generator facilities shall be capable of being isolated from the Company by means of a lockable, visible-break isolation device accessible by the Company. The isolation device shall be installed, owned and maintained by the Customer-Generator and located between the small generation facility and the point of interconnection. A draw-out type circuit breaker with a provision for padlocking at the draw-out position can be considered an isolation device for purposes of this requirement.

A Customer-Generator may elect to provide PECO access to an isolation device that is contained in a building or area that may be unoccupied and locked or not otherwise readily accessible to PECO, by installing a lockbox provided by PECO that shall provide ready access to the isolation device. The Customer-Generator shall install the lockbox in a location that is readily accessible by PECO and the Customer-Generator shall permit PECO to affix a placard in a location of its choosing that provides clear

instructions to PECO operating personnel on access to the isolation device. The Customer-Generator, at its option, may provide and install both the lockbox and placard.

- 8) **Operations / Disconnection.** PECO may temporarily disconnect the Customer-Generator Facility upon occurrence of the following conditions:
- a) For scheduled outages upon reasonable notice,
 - b) For unscheduled outages or emergency conditions,
 - c) If PECO determines that the Customer-Generator Facility does not operate in a manner consistent with this Application/Agreement,
 - d) If PECO determines that continued operation of the Customer-Generator Facility is a safety hazard to PECO's personnel or to the general public,
 - e) In the event the interconnection equipment used by the Customer-Generator Facility is de-listed by the Nationally Recognized Testing Laboratory that provided the listing at the time the interconnection was approved and PECO ascertains that the continued operation has the potential to cause a safety, reliability or a power quality problem.

~~9) **Indemnification.** The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under these terms and conditions on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.~~

~~10)9)~~ **Limitation of Liability.** Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, ~~including reasonable excluding payment of any~~ attorney's fees, relating to or arising from any act or omission in its performance of these terms and conditions, shall be limited to the amount of direct damage actually incurred. ~~In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever.~~

~~11)10)~~ **Termination.** This Application/Agreement may be terminated under the following conditions:

- a) By Customer-Generator. The Customer-Generator may terminate this Application/Agreement by providing written notice to PECO.
- b) By PECO. PECO may terminate this Application/Agreement if the Customer-Generator fails to remedy a violation of terms of this Application/Agreement upon written notice and a reasonable opportunity to cure.

~~12)11)~~ **Permanent Disconnection.** In the event the Application/Agreement is terminated, PECO shall have the right to disconnect its facilities or direct the Customer-Generator to disconnect its Customer-Generator Facility.

~~13)12)~~ **Survival Rights.** This Application/Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill its rights or obligations that arose under the Application/Agreement.

~~14)13)~~ **Assignment/Transfer of Ownership of the Customer-Generator Facility:** ~~This Application/Agreement shall survive the transfer of ownership of the Customer-Generator Facility to a new owner unless the new owner terminates this Application/Agreement and so notifies PECO in writing. The Customer-Generator will not assign this Application/Agreement or transfer ownership of the Customer Generator Facility to a third party without the prior, written consent of PECO, which may require the Application/Agreement to be amended to re-insert the standard Level 2, 3 or 4 Interconnection Agreement provisions altered by the Pennsylvania Public~~

Utility Commission's Order approving the Waiver of such standard Agreement. PECO will be responsible for contacting the new customer to execute a new Application/Agreement or assignment agreement, in order for the new owner to be treated as a Net Metering customer.



~~15)~~14) **No Third Party Beneficiaries** - This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

~~16)~~15) **No Waiver** - The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the Parties.

~~17)~~16) **Definitions.** The capitalized terms used herein, and the definitions of such terms, are as those used in ANNEX A, TITLE 52. PUBLIC UTILITIES, PART 1. PUBLIC UTILITY COMMISSION, Subpart C., FIXED SERVICE UTILITIES, CHAPTER 75: ALTERNATIVE ENERGY PORTFOLIO STANDARDS, Subchapter C: "INTERCONNECTION STANDARDS."

~~18)~~17) **Notice.** Unless otherwise provided in this Application/Agreement, any written notice, demand, or request required or authorized in connection with this Application/Agreement ("Notice") shall be deemed properly given if delivered in person, sent by Electronic Mail (E-mail), sent by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to PECO:

The contact listed on PECO's website as the primary contact for PECO listed in the Customer-Generator's Facility Information section on Attachment A of this Interconnection Agreement.

If to Customer-Generator:

The contact listed in the Legal Name and Mailing Address of Customer-Generator section on Attachment A of this Interconnection Application. The Customer-Generator is responsible for notifying PECO of any change in the contact party information.

In the event the original applicant sells or otherwise transfers ownership of the property listed in the Customer-Generator Facility's Information section listed on Attachment A of the Interconnection Agreement, the original applicant shall provide PECO with the appropriate contact information for the new owner of the property. Upon any subsequent transfer of ownership, the then current owner shall provide PECO with the new owner's information.

~~19~~18 **Governing Law and Regulatory Authority** - This Agreement shall be governed by, interpreted, construed, and enforced in accordance with the laws of the Commonwealth of Pennsylvania. This Agreement is subject to, and the Parties' obligations hereunder include, operating in full compliance with all valid, applicable federal, state, and local laws or ordinances, and all applicable rules, regulations, orders of, and tariffs approved by, duly constituted regulatory authorities having jurisdiction.

20)19) Multiple Counterparts -- This Agreement may be executed in two counterparts, each of which is deemed an original, but all constitute one and the same instrument.

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

PECO _____

Customer _____

BY: _____

BY: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____