



**STANDARD SMALL GENERATOR INTERCONNECTION
AND OPERATING AGREEMENT (SSGIA)**

*For Total Generation > 100kW Connected
to the Electrical Distribution System (< 26,400 Volts)*

[COMPANY NAME], [CAPACITY] KW, [LOCATION], [COUNTY]

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STANDARD SMALL GENERATOR INTERCONNECTION AND OPERATING AGREEMENT (SSGIA)

THIS STANDARD SMALL GENERATOR INTERCONNECTION AND OPERATING AGREEMENT (SSGIA) is made and entered into this ____ day of _____ 20__, by and between **[COMPANY NAME]**, a company organized and existing under the laws of the of _____ "Interconnection Customer"), and **Nova Scotia Power Incorporated**, a corporation organized and existing under the laws of the Province of Nova Scotia ("Distribution Provider").

WHEREAS:

1. The Interconnection Customer desires to engage in the interconnected operation of its Generating Facility with the Distribution Provider's Distribution System;
2. The Distribution Provider owns and operates the Distribution System;
3. The Interconnection Customer intends to own, lease and/or control and operate the **[XXX] MW** Generating Facility, connected to the Distribution System located at: **[ADDRESS]** and more particularly described in Appendix A of this Agreement; and
4. The Interconnection Customer and the Distribution Provider have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the Distribution System.

NOW THEREFORE, in consideration of and subject to the mutual covenants contained herein, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1. DEFINITIONS

The following terms shall have the meanings specified or referred to below.

- a) **Adverse System Impact** shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.
- b) **Affected System** shall mean an electric system other than the Distribution Provider's Distribution System that may be affected by the proposed interconnection, including without limitation, the Transmission System
- c) **Affected System Operator** shall mean the entity that operates an Affected System.
- d) **Affiliate** - of any Person means, any corporation that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. For this purpose, "control" means the direct

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or indirect ownership of more than fifty percent (50%) of the outstanding capital stock or other equity interest having ordinary voting power.

- e) **Agreement** shall mean this Standard Small Generator Interconnection and Operating Agreement.
- f) **Applicable Laws and Regulations** shall mean all duly promulgated applicable federal, provincial and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.
- g) **Board** shall mean the Nova Scotia Utility and Review Board.
- h) **Breach** shall mean the failure of a Party to perform or observe any material term or condition of this Agreement.
- i) **Breaching Party** shall mean a Party that is in Breach of this Agreement.
- j) **Business Day** shall mean Monday to Friday, inclusive, excluding holidays. The regular business hours on a Business Day are from 08:30 to 16:30 Atlantic Time.
- k) **Calendar Day** shall mean any day including Saturday, Sunday or a holiday.
- l) **Commercial Operation Date** shall mean the date on which the Interconnection Customer commences commercial operation of the unit (or one or more units thereof where it includes multiple units) at the Generating Facility after Trial Operation of such unit has been completed.
- m) **Confidential Information** shall mean any confidential, proprietary or trade secret information relating to the present or planned business of a Party, including any plan, specification, pattern, procedure, design, device, list, concept, policy or compilation, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.
- n) **Control Area** shall mean an electric system or group of systems that meet(s) the requirements of the Northeast Power Coordinating Council (NPCC) Control Area Certification Process.
- o) **Default** shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 6.15 of this Agreement.
- p) **Dispute Resolution** shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.
- q) **Distribution System** shall mean the Distribution Provider's facilities and equipment (nominally rated at 26,400 Volts or less) used to distribute electricity

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to ultimate usage points such as homes and industries either directly from nearby generators or from interchanges from the transmission system.

- r) **Distribution Provider** shall mean the public utility (or its designated agent) that owns, controls, or operates distribution facilities used for the distribution of electricity.
- s) **Distribution Provider's Interconnection Facilities** shall mean all facilities and equipment owned, controlled, or operated by the Distribution Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A of this Agreement, including any modifications, additions or upgrades to such facilities and equipment. Distribution Provider's Interconnection Facilities are used solely for the purpose of interconnecting the Generating Facility to the Distribution System and shall not include Distribution Upgrades.
- t) **Distribution Upgrades** shall mean the additions, modifications, and upgrades to the Distribution Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the distribution service necessary to affect the Interconnection Customer's sale of electricity. Distribution Upgrades do not include Interconnection Facilities.
- u) **Effective Date** shall mean the date on which the Standard Small Generator Interconnection and Operating Agreement becomes effective in accordance with Article 4.1 of this Agreement.
- v) **Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property, or (2) that, in the case of a Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution Provider's Distribution System, Distribution Provider's Interconnection Facilities or the electric systems to which the Distribution Provider's Distribution System is directly connected, or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or the Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that the Interconnection Customer is not obligated by the Standard Small Generator Interconnection and Operating Agreement to possess black start capability.
- w) **Environmental Law** shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.
- x) **Force Majeure** shall mean an event, condition, occurrence or circumstance beyond the reasonable control and not attributable to the fault or negligence of the Party claiming Force Majeure, which, despite all reasonable efforts at a reasonable cost of the Party claiming the Force Majeure to prevent its occurrence or mitigate its effects, causes a delay or disruption in the performance of any

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obligation (other than the obligation to pay monies due) imposed on such Party hereunder, including, without limitation, any act of God, labour disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment if caused by an event which would constitute Force Majeure, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control.

- y) **Generating Facility** shall mean the Interconnection Customer's device for the production of electricity for interconnection to the Distribution System at voltages 26,400 Volts and below, but shall not include the Interconnection Customer's Interconnection Facilities.
- z) **Generating Facility Capacity** shall mean the net capacity of the Generating Facility, or the aggregate net capacity of the Generating Facility, where it includes multiple energy production devices.
- aa) **Good Utility Practice** shall mean those practices, methods or acts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in North America) that at a particular time, in the exercise of reasonable judgment, would have been expected to accomplish the desired result in a manner consistent with regulations, reliability, safety, environmental protection, economy and expedition as applied and practiced in the utility industry with respect to power generation, delivery, purchase and sale.
- bb) **Governmental Authority** shall mean any national, international, federal, provincial, state, municipal, county, regional or local government, organization or duly constituted authority having jurisdiction, and includes: (a) any department, commission, bureau, board, administrative agency or regulatory body of any government having jurisdiction; and (b) any person or corporation acting as an authorized agent thereof.
- cc) **Hazardous Substances** shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.
- dd) **Initial Synchronization Date** shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.
- ee) **In-Service Date** shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Distribution Provider's Interconnection Facilities to obtain back feed power.

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- ff) **The Interconnection Customer** shall mean the entity identified at the beginning of this Agreement that proposes to interconnect its Generating Facility with the Distribution Provider's Distribution System.
- gg) **The Interconnection Customer's Interconnection Facilities** shall mean all facilities and equipment, as identified in Appendix A of this Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Distribution System. The Interconnection Customer's Interconnection Facilities are sole use facilities.
- hh) **Interconnection Facilities** shall mean the Distribution Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Distribution System, and shall not include Distribution Upgrades.
- ii) **Interconnection Service** shall mean the service provided by the Distribution Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Distribution System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of this Agreement.
- jj) **Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of the Distribution Provider's Distribution System and, if applicable, an Affected System. The study shall determine what changes must be made to the Distribution System, Affected System and/or the Generation Facilities to allow the interconnection to proceed, and shall provide an estimate of the capital contribution that the Interconnection Customer must pay to complete these changes. It shall provide an analysis of technical issues associated with the Generation Facility and shall identify all provisions and conditions that must be added to this Agreement to permit the project to proceed. The System Impact Study shall be included in Appendix A of this Agreement.
- kk) **Generating Facility** shall mean a Generating Facility interconnected with the Distribution Provider's Distribution System having a Generating Facility Capacity of more than 100 kW.
- ll) **Loss** shall mean any and all losses, damages costs, expenses and injury of every kind and character including reasonable legal fees on a solicitor and his own client basis.
- mm) **Metering Equipment** shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to this Agreement, Appendix A

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(Interconnection System Impact Study) at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

- nn) **Milestones** shall mean the events and associated dates listed in Appendix C of this Agreement. The Milestones describe events that are to be met by either Party as the Generating Facility proceeds to interconnection and Parallel Operation.
- oo) **MW** shall mean the abbreviation for megawatts, which is used to describe the capacity of a Generating Facility.
- pp) **Notice of Dispute** shall mean a written notice of a dispute or claim that arises out of or in connection with this Agreement or its performance.
- qq) **Operating Area** shall mean an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to: (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s); (2) maintain scheduled interchange with other Operating Areas, within the limits of Good Utility Practice; (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.
- rr) **Operating Requirements** shall mean any operating and technical requirements that may be applicable due to regional transmission organization, independent system operator, Control Area, or Distribution Provider requirements, including those set forth in Appendix D of the this Agreement.
- ss) **Parallel Operation** shall mean the two-way flow of power between a Generating Facility and the Distribution System.
- tt) **Party** shall mean the Distribution Provider or the Interconnection Customer. "Parties" means both of them.
- uu) **Person** shall mean a natural person, a corporation, a partnership, a limited partnership, a joint venture, an association, a trust, a government agency and an unincorporated organization.
- vv) **Point of Change of Ownership** shall mean the point, as set forth in Appendix A to this Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.
- ww) **Point of Interconnection** shall mean the point, as set forth in Appendix A of this Agreement, where the Interconnection Facilities connect to the Distribution System.

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- xx) **Reasonable Efforts** shall mean, with respect to an action required to be attempted or taken by a Party under this Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.
- yy) **System Protection Facilities** shall mean the equipment, including necessary protection signal communications equipment, required to protect: (1) the Distribution System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Distribution System or on other delivery systems or other generating systems to which the Distribution System is directly connected.
- zz) **Transmission System** shall mean the facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under the Tariff.
- aaa) **Trial Operation** shall mean the period during which the Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to commercial operation.

ARTICLE 2. SCOPE AND LIMITATIONS OF AGREEMENT

This Agreement does not supersede any requirements outlined in Applicable Laws and Regulations including, but not limited to the *Canadian Electrical Code*, and the *Nova Scotia Occupational Health and Safety Act*.

2.1 Intent

It is the intent of the Distribution Provider to operate the electrical Distribution System so as to maintain a high level of service reliability and power quality to their customers.

It is the intent of both Parties to operate their associated facilities in a way that ensures the safety of the public and their employees.

2.2 Scope and Limitations of Agreement

2.2.1 This Agreement governs the facilities required to connect the Interconnection Customer's Generating Facility to the Distribution System, and contains the terms and conditions under which this Interconnection may take place.

2.2.2 The requirements of this Agreement are not intended to provide protection of the Interconnection Customer's Generation Facility. The Interconnection Customer is fully responsible for protecting their equipment in such a manner that faults or other disturbances on the Distribution System, or on other delivery systems to which the Distribution System is directly connected, do not cause damage to their equipment.

2.2.3 In all cases and at its own expense, the Interconnection Customer is required to make changes to its Generating and Interconnection Facilities to comply with all revisions to, amendments to and newly enacted, Applicable Laws and

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Regulations, Good Utility Practice, and any amendments to this Agreement, made from time to time.

2.3 Responsibilities of the Parties

- 2.3.1** The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 2.3.2** The Interconnection Customer shall construct, interconnect, operate and maintain the Interconnection Customer's Generating Facility and construct, operate, and maintain its Interconnection Facilities, in accordance with this Agreement, Good Utility Practice and in accordance with the applicable manufacturer's recommended maintenance schedule.
- 2.3.3** Distribution Provider shall construct, operate, and maintain the Distribution System and the Distribution Provider's Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 2.3.4** The Interconnection Customer agrees to construct the Generating and Interconnection Facilities in accordance with applicable specifications that meet or exceed those provided by the Electrical Inspection Act and Canadian Electrical Code Part I & II (CEC), the Canadian Standards Association, the Interconnection System Impact Study and Operating Requirements in effect at the time of construction and other applicable national and provincial codes and standards.
- 2.3.5** The Interconnection Customer shall provide Interconnection Facilities that adequately protect the Distribution System, the equipment of other customers, personnel, and other persons from damage and injury.

2.4 Parallel Operation Obligations

Once the Generating Facility has been authorized to begin Parallel Operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the Parallel Operation of the Generating Facility in the applicable Control Area; the Operating Requirements set forth in Appendices A and D of this Agreement; and in accordance with the following:

2.4.1 Distribution Provider Safety Requirements

The safe work procedures described in the Distribution Provider's Standard Protection Code document will be followed in providing isolation for work on any part of the interconnected power system.

2.4.2 Electrical Inspection Act and Canadian Electrical Code Part I & II

The Interconnection Customer's installation must meet all applicable national, provincial and municipal electrical construction and safety codes, including, without limitation, the Electrical Installation and Inspection Act. Except as expressly permitted by law, all electrical equipment must have CSA or equivalent approval.

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2.4.3 Permission to Operate

Under no circumstances shall the Interconnection Customer begin Parallel Operation of the Generating Facility until final written approval in the form of a signed Agreement has been given by the Distribution Provider.

2.4.4 Islanded Operation

Under no circumstances shall the Generating Facility be permitted to operate in an islanded condition. The term “islanded condition” includes for the purpose of this provision, a situation where the portion of Distribution System to which the Generating Facility is connected becomes isolated from the Distribution System and/or Transmission System.

2.5 Metering

2.5.1 General

Unless otherwise agreed by the Parties, the Distribution Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Generating Facility shall be measured at, or at Distribution Provider’s option, compensated to, the Point of Interconnection. Distribution Provider shall provide metering quantities, in analog and/or digital form, to the Interconnection Customer upon request. The Interconnection Customer shall be responsible for all costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment. All revenue Metering Equipment installations shall at all times meet the requirements of Good Utility Practice and all Applicable Laws and Regulations.

2.5.2 Check Meters

The Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check the Distribution Provider’s meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this Agreement, except as provided in Article 2.5.4 below. The check meters shall be subject at all reasonable times to inspection and examination by the Distribution Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by the Interconnection Customer in accordance with Good Utility Practice. Such check meters shall only be permitted if the accuracy of the revenue metering installation is not degraded at any time through the addition of the check meters.

2.5.3 Standards

Distribution Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable Industry Canada standards.

2.5.4 Testing of Metering Equipment

At any time, either Party may request a test of the accuracy of the Metering Equipment at its own expense. The results of meter calibrations or tests shall be available for examination by the Parties at all times. If at any time, any Metering

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Equipment is found to be outside of the accuracy requirements for revenue class meters as per NSP-DOC-026 of the “NSPI Metering Quality Assurance Program” in which Measurement Canada’s error limits are identified, the Distribution Provider shall cause such Metering Equipment to be made accurate or replaced as soon as possible. If the meter is found to be accurate within 3%, no financial adjustment will be required. Each Party shall be given reasonable opportunity to be represented in person at any time that a meter is sealed or unsealed for whatever reason from time to time (reasonable notice shall be provided by the initiating Party to the other Party for this purpose), and shall comply with any reasonable request of the other concerning the sealing of meters and other matters affecting the accuracy of the measurement of energy delivered. If either Party believes that a meter is operating inaccurately, it shall immediately notify the other Party. In the event that a meter’s accuracy, by testing, is found to be subject to variances of greater than 3%, a financial adjustment will be made to compensate for any excess variance over the 3% limit for a period not to exceed 90 days.

If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at the Interconnection Customer’s expense, in order to provide accurate metering, unless the inaccuracy or defect is shown to be caused by the Distribution Provider’s failure to maintain the Metering Equipment in accordance with this Agreement, then the Distribution Provider shall be responsible for the cost of adjustment, repair or replacement of the Metering Equipment.

If Metering Equipment fails to record energy, the Distribution Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment failed to record energy by using the Interconnection Customer’s check meters, if installed.

ARTICLE 3. INSPECTION, TESTING, AUTHORIZATION, AND RIGHT OF ACCESS

3.1 Equipment Testing and Inspection

3.1.1 The Interconnection Customer shall perform operational testing and inspection of the Generating Facility and the Interconnection Customer Interconnection Facilities prior to interconnection. No fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection, the Interconnection Customer shall notify the Distribution Provider of such activities. Testing and inspection shall occur on a Business Day, and Distribution Provider reserves the right, but not the obligation, to send qualified personnel to the Generating Facility site to inspect the interconnection and observe the Generating Facility's testing. The Interconnection Customer shall provide the Distribution Provider with a written test report when such testing and inspection is completed.

3.1.2 Upon completion of such operational testing and inspection and receipt of the written report, the Distribution Provider shall provide to the Interconnection Customer written acknowledgment that it has received the written report. This acknowledgment shall not be deemed to be, or construed as, any representation,

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assurance, guarantee, or warranty by the Distribution Provider of the safety, durability, suitability, or reliability of the Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer, or the quality of power produced by the Generating Facility.

- 3.1.3** All protective devices or functions that are supplied to satisfy the requirements of the System Impact Study in Appendix A shall be routinely tested in accordance with Good Utility Practice by qualified personnel at the Interconnection Customer's expense. Each routine check shall include both a calibration check and an actual trip of the circuit breaker or contactor from the device being tested. A test report shall be prepared listing the tests made and the "as found" and "as left" calibration values. Copies of all test reports will be sent to the Distribution Provider within 5 Business Days of the test.

Special tests may also be requested by the Distribution Provider to investigate apparent mis-operations that have had an adverse effect on the Distribution System or other Affected Systems. Costs of such tests will be at the Interconnection Customer's expense.

3.2 Authorization Required Prior To Parallel Operation

Distribution Provider will notify the Interconnection Customer of any changed or additional requirements applicable to safe and reliable Parallel Operation as soon as practical after they are known. The Interconnection Customer shall meet any changed or additional requirements at its cost. Distribution Provider will cooperate with the Interconnection Customer in addressing and meeting such requirements (including information and study requirements), and to obtain appropriate notifications that such requirements are met. The Interconnection Customer shall notify the Distribution Provider once it has complied with all such requirements. Upon such notification, the Distribution Provider will evaluate compliance and if it determines that it is appropriate it will provide the Interconnection Customer with written authorization to operate the Generating Facility in parallel with the Distribution System. Such authorization shall not be unreasonably withheld, conditioned or delayed.

3.3 Right of Access

The Interconnection Customer shall furnish at no cost to the Distribution Provider, licenses, rights of way, or easements with respect to lands owned or controlled by the Interconnection Customer and its agents that are necessary to enable the Distribution Provider to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to:

- a) Interconnect the Generating Facility with the Distribution System,
- b) Operate and maintain the Interconnection Facilities, and the Distribution System, and
- c) Disconnect or remove the Interconnection Customer's facilities and equipment upon Termination of this Agreement.

3.4 Lands of Other Property Owners

If any part of the Distribution Provider's Interconnection Facilities and/or Distribution Upgrades is to be installed on property owned by one or more Persons other than the Interconnection Customer or the Distribution Provider, the Interconnection Customer shall at its expense procure from such Persons any rights of use, licenses, rights of way and easement the "Easements") that are necessary or appropriate to construct, operate, maintain, test, inspect, replace or remove the Distribution Provider's Interconnection Facilities and/or Distribution Upgrades upon such property.

Distribution Provider shall adhere to the applicable safety rules and procedures in respect of the exercise of its rights under the Easements, as may be changed from time to time, by the Interconnection Customer and provided such rules and procedures are given to the Distribution Provider in writing in advance of their effect. In the event of Emergency Conditions or hazardous conditions, the Distribution Provider and the Interconnection Customer shall exercise all Reasonable Efforts to comply with these provisions.

All Easements shall be registered and provided to the Distribution Provider at least thirty (30) Calendar Days prior to the commencement of the installation or construction of the Distribution Provider Interconnection Facilities or Distribution Upgrades required in respect of this Agreement..

3.5 Operating Requirements

3.5.1 General Operating Requirements

Distribution Provider requires operational control over any Interconnection Facilities as necessary to ensure reliability or serviceability of the Distribution System and its customers.

The Interconnection Customer shall follow the Distribution Provider's switching, tagging, permitting and lockout procedures (Distribution Provider Standard Protection Code), which the Distribution Provider will provide to the Interconnection Customer.

From time to time, the Generating Facility may be prevented from operating due to system reliability, disturbance, maintenance, or emergency requirements.

3.5.2 Distribution Provider Obligations

Distribution Provider shall cause its Distribution System, the Distribution Provider's Interconnection Facilities and Distribution Upgrades to be operated, maintained and controlled in a safe and reliable manner and in accordance with this Agreement. The Distribution Provider may provide operating instructions to the Interconnection Customer consistent with this Agreement and the Distribution Provider's operating protocols and procedures as they may change from time to time. The Distribution Provider will consider, but shall not be obligated to implement or adopt, changes to its operating protocols and procedures proposed by the Interconnection Customer.

3.5.3 Interconnection Customer Obligations

The Interconnection Customer shall at its own expense install, own, operate, and maintain the Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement. The Interconnection Customer shall operate the Generating Facility and the Interconnection Customer Interconnection Facilities in accordance with all applicable requirements of the Operating Area of which it is part, as such requirements are set forth in Appendix D of this Agreement.

Except in an Emergency, the Interconnection Customer will request permission from the Distribution Provider's system operator (or such Party designated by the system operator) prior to opening or closing switching devices at the designated Point of Interconnection, deemed to be under their operating control and as identified in Appendix A of this Agreement, in accordance with applicable switching and operations procedures, which permission will not be unreasonably withheld or delayed. If the Interconnection Customer opens or closes a switching device deemed to be under its Operating Control in an Emergency, without requesting permission from the system operator, the Interconnection Customer shall notify the system operator immediately after taking such action. The Interconnection Customer will carry out all switching orders from the system operator in a timely manner.

ARTICLE 4. EFFECTIVE DATE, TERM, TERMINATION, DISCONNECTION, AND SURVIVAL

4.1 Effective Date

This Agreement shall become effective upon execution by the Parties.

4.2 Term of Agreement

Subject to the provisions of Article 4.3, this Agreement shall remain in effect until such time as the Interconnection Customer's Generating Facility is no longer interconnected to the Distribution Provider's Distribution System.

4.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

4.3.1 Written Notice

The Interconnection Customer may terminate this Agreement after giving the Distribution Provider ninety (90) Calendar Days prior written notice, or the Distribution Provider may terminate this Agreement if the Interconnection Customer ceases operation at the Generating Facility for a continuous period of thirty (30) Calendar Days from events other than Force Majeure or interruptions pursuant to Articles 4.4 or 4.5 and the Interconnection Customer does not, within such thirty (30) Calendar Day period, demonstrate to the reasonable satisfaction of the Distribution Provider that the Interconnection Customer is using all reasonable efforts to restore the Generating Facility operations and thereafter

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diligently use all reasonable efforts for the restoration of such Generating Facility operations.

4.3.2 Material Change

In the event that there is a material change in Applicable Laws and Regulations that would prevent the Distribution Provider from performing its obligations under this Agreement or would impose a substantial additional cost upon the Distribution Provider to perform its obligations under this Agreement, and for which cost the Distribution Provider is not reimbursed by the Interconnection Customer or any other party, the Distribution Provider may terminate this Agreement by giving the Interconnection Customer at least ninety (90) Calendar Days prior written notice.

4.3.3 Default

Either Party may terminate this Agreement in accordance with Article 6.15.

4.3.4 Default under the Power Purchase Agreement

If applicable, if the Distribution Provider and the Interconnection Customer have executed a power purchase agreement, and if the power purchase agreement is terminated the Distribution Provider may immediately terminate this Agreement upon written notice of termination to the Interconnection Customer.

4.3.5 Assignment of Power Purchase Agreement

If applicable, if the Distribution Provider and the Interconnection Customer have executed a power purchase agreement, and if the Interconnection Customer assigns the power purchase agreement in violation of the terms of the power purchase agreement, the Distribution Provider may terminate this Agreement effective the date of assignment upon written notice of termination to the Interconnection Customer.

4.4 Temporary Disconnection

4.4.1 Emergency Conditions

Under Emergency Conditions, the Distribution Provider shall have the right to immediately suspend Interconnection Service and temporarily disconnect the Generating Facility. Distribution Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects the Generating Facility, the Distribution System or Affected Systems that may reasonably be expected to affect the Interconnection Customer's operation of the Generating Facility.

The Interconnection Customer shall notify the Distribution Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Distribution System or Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, or the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

4.4.2 Routine Maintenance, Construction and Repair

Distribution Provider shall have the right to interrupt Interconnection Service or curtail the output of the Generating Facility and temporarily disconnect the Generating Facility from the Distribution System when necessary for routine maintenance, construction, and repairs on the Distribution System or Affected Systems.

Distribution Provider shall use Reasonable Efforts to provide the Interconnection Customer with notice prior to such interruption or curtailment. Distribution Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

4.4.3 Forced Outages

During any forced outage of the Interconnection Customer's facilities, Distribution Provider shall have the right to suspend Interconnection Service to effect immediate repairs on the Distribution System or other Affected Systems. However, the Distribution Provider shall use its Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Distribution Provider will provide upon request from the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

4.4.4 Adverse Operating Effects

Distribution Provider shall notify the Interconnection Customer if the operation of the Generating Facility is causing disruption or deterioration of service to other customers served from the same electric system, or if operation of the Generating Facility is causing damage to the Distribution System or Affected Systems.

If, after notice to the Interconnection Customer has been provided and a reasonable time to correct such adverse operating effect has elapsed, (consistent with the conditions), and the Interconnection Customer has failed to make such corrections, the Distribution Provider may immediately disconnect the Generating Facility.

4.4.5 Modification of the Generating Facility

The Interconnection Customer must receive written authorization from the Distribution Provider before making any change to the Generating Facility that could result in Adverse System Impacts to the Interconnection Facilities or the Distribution System or Affected Systems. If the Interconnection Customer makes such modification without the Distribution Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Generating Facility. Such authorization shall not be unreasonably withheld.

4.4.6 Reconnection

The Parties shall cooperate with each other to restore the Generating Facility, Interconnection Facilities, and the Distribution System to their normal operating state as soon as reasonably practicable following any curtailment or temporary disconnection. If the disconnection is caused by the Interconnection Customer

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Interconnection Facilities or the Generation Facility, the Interconnection Customer shall use reasonable efforts to remedy the reason for the disconnection at its cost.

4.5 Permanent Disconnection

Upon termination of this Agreement, the Generating Facility shall be disconnected from the Distribution System. The Parties shall use Reasonable Efforts to effect such disconnection. All costs required to complete the disconnection shall be borne by the Interconnection Customer, except if the Interconnection Customer terminates this Agreement pursuant to Article 6.15, as a result of the Distribution Provider being in default in which case the Distribution Provider shall pay the costs of disconnection.

4.6 Survival

This Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable Agreements, to disconnect, remove or salvage its own facilities and equipment.

ARTICLE 5. COST RESPONSIBILITY, MILESTONES, BILLING, AND PAYMENT

5.1 Cost Responsibility

5.1.1 Cost Estimates

The Distribution Provider will provide a good faith estimate of all costs, including, without limitation, overheads of the Distribution Provider, for the purchase and construction of the Distribution Provider's Interconnection Facilities, Distribution Upgrades and Metering Equipment. All such costs associated with purchase, construction or maintenance of the Distribution Provider's Interconnection Facilities, Distribution Upgrades and Affected Systems will be accounted for using, and in accordance with, the Distribution Provider's normal accounting and cost procedures. The Interconnection Customer will be solely responsible to pay the actual costs incurred by the Distribution Provider in respect of the purchase, construction and maintenance, and all related activity provided for in this Agreement, of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, Metering Equipment and Affected Systems and any estimate provided to the Interconnection Customer is done so only for the convenience of the Interconnection Customer, and such estimate shall not in any way affect, limit or reduce the obligation of the Interconnection Customer described herein to pay the Distribution Provider the actual costs incurred, including, without limitation, overheads of the Distribution Provider.

5.1.2 Interconnection Facilities

The Interconnection Customer shall be responsible for and shall reimburse the Distribution Provider for or pay (as applicable) the actual capital, operating and maintenance costs of the Distribution Provider's and the Interconnection

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Customer's Interconnection Facilities and Metering Equipment itemized in Appendix A of this Agreement (System Impact Study).

5.1.3 Distribution Upgrades

The Distribution Provider shall design, procure, construct, install, and shall own the Distribution Upgrades described in Appendix A of this Agreement. The Interconnection Customer shall be responsible for, and shall reimburse the Distribution Provider or pay for (as applicable), the actual cost of the Distribution Upgrades, including, without limitation, overheads of the Distribution Provider. The Interconnection Customer shall pay a capital contribution for any required Distribution Upgrades, including, without limitation, line extensions necessary to extend the Distribution System to the Point of Interconnection. The Distribution Provider shall own the line extension to the Point of Interconnection. Maintenance, repair and replacement costs in perpetuity for that portion of the line extension between the last Distribution Provider customer and the Point of Interconnection, are the responsibility of the Interconnection Customer. Distribution Provider shall own the line extension and Distribution Upgrades and perform and manage the maintenance of these line extensions and Distribution Upgrades at the Interconnection Customer's cost.

If the Interconnection Customer has paid a capital contribution for line extensions and/or Distribution Upgrades from the Distribution Provider's existing Distribution System to the Point of Interconnection, the Interconnection Customer shall be entitled to a refund in accordance with the Distribution Provider's Board approved regulations.

5.1.4 Affected Systems

Where upgrades are required to be installed or revisions are required to be made to Affected Systems to accommodate the addition of the Generating Facility, the Interconnection Customer shall be responsible for, and shall reimburse the Distribution Provider for and pay for (as applicable) the actual cost including, without limitation, overheads of the Distribution Provider of the installation and/or revisions.

5.2 Financial Security Arrangements

At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of any portion of any of the Distribution Provider Interconnection Facilities or Distribution Upgrades required in respect of this Agreement, the Interconnection Customer shall provide the Distribution Provider, with a pre-payment in advance or other security in an amount and form that is acceptable to the Distribution Provider, in its sole discretion, and not otherwise inconsistent with the Distribution Provider's Board approved regulations.

Such security for payment shall be in an amount sufficient to cover the estimated costs (as estimated by the Distribution Provider) for constructing, procuring, and installing the applicable portion of Distribution Provider Interconnection Facilities and Distribution Upgrades required in respect of this Agreement.

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In addition to and without limiting the foregoing, any guarantee, if the Distribution Provider otherwise accepts a guarantee as security contemplated under this Article, must be made by an entity that meets the creditworthiness requirements from time to time of Distribution Provider, determined in its sole discretion, and must contain terms and conditions that are reasonably satisfactory to the Distribution Provider.

5.3 Milestones

Parties shall agree on milestones for which each Party is responsible and list them in Appendix C of this Agreement. A Party's obligation under this provision may be extended by mutual agreement of the Parties.

5.4 Billing and Payment

Billing and payment obligations for services rendered, for which the Interconnection Customer is responsible under this Agreement shall be performed in accordance with the terms of this Agreement.

5.4.1 Billing Procedure for Interconnection Facilities Construction

Distribution Provider shall bill the Interconnection Customer monthly for any expenditures incurred or accrued in respect of which the Interconnection Customer is responsible as provided for under this Agreement, including, without limitation, for the design, engineering and construction of, or for other charges, including without limitation, overhead of the Distribution Provider, related to, Interconnection Facilities, Distribution Upgrades or Affected Systems contemplated by this Agreement. The Interconnection Customer shall pay each bill within thirty (30) Calendar Days after receipt thereof. Amounts billed and in arrears shall accrue interest, and the Interconnection Customer shall be liable to pay the Distribution Provider such interest, at an annual rate of interest equal to the prime rate of interest published by the Bank of Nova Scotia on the first day of each applicable month.

5.4.2 Final Accounting

Within ninety (90) Calendar Days after completion of the construction and installation of the Distribution Provider's Interconnection Facilities and/or Distribution Upgrades described in Appendices A and D of this Agreement, the Distribution Provider shall provide the Interconnection Customer with a final accounting report of any difference between: (1) The Interconnection Customer's cost responsibility for the actual cost of such facilities under this Agreement, and (2) The Interconnection Customer's previous aggregate payments to Distribution Provider for such facilities.

If the Interconnection Customer's cost responsibility under this Agreement exceeds its previous aggregate payments, the Distribution Provider shall invoice the Interconnection Customer and the Interconnection Customer shall make payment to the Distribution Provider. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, Distribution Provider shall refund to the Interconnection Customer an amount equal to the difference within thirty (30) Calendar Days of the provision of such final accounting report.

ARTICLE 6. MISCELLANEOUS

6.1 **Governing Law, Regulatory Authority and Rules**

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the Province of Nova Scotia, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

6.2 **Amendment**

The Parties may by mutual Agreement amend this Agreement by a written instrument duly executed by both of the Parties.

6.3 **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.

6.4 **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 a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement.

Termination or Default of this Agreement for any reason by the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Distribution Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

6.5 **Assignment**

This Agreement may be assigned by either Party only with the written consent of the other; provided that either Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that the Interconnection Customer shall have the right to assign this Agreement, without the consent of the Distribution Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that the Interconnection Customer will require any secured party, trustee or mortgagee to notify the Distribution Provider of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the Distribution Provider of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Article is void and ineffective. Any assignment under this Agreement shall not relieve a

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Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

6.6 Entire Agreement

This Agreement, including all appendices attached hereto, constitutes the entire Agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or Agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other Agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

6.7 Notices

Unless otherwise provided in this Agreement, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with Canada Post with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix E of this Agreement.

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set in Appendix E of this Agreement:

Either Party may change the notice information set out in Appendix E to this Agreement by giving five (5) Business Days written notice prior to the effective date of the change.

Each Party shall notify the other Party in writing from time to time of the identity of the person(s) that it designates as the point(s) of contact with respect to operations and maintenance the Party's facilities.

6.8 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any Agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

6.9 Communications

Each Party will provide the other Party with the name, title, address and phone numbers of its representative to receive operational communications and to conduct the daily communications that may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers, may be

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communicated or revised by one Party's notice to the other in accordance with Article 6.7.

6.10 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

6.11 Indemnification

Each Party (each an "Indemnitor") shall indemnify and hold harmless the other Party and such other Party's Affiliates, directors, officers, partners, employees, contractors, subcontractors, agents and representatives thereof (individually and collectively called an "Indemnitee") from and against all losses, damages and liabilities, judgments, fines, penalties, charges, settlement amounts, costs, expenses and reasonable legal fees (on a solicitor and his own client basis, including reasonable disbursements) suffered or incurred or brought against by the Indemnitee in connection with any causes of action, action, claim, suit, inquiry, proceeding, investigation or appeal therefrom, arising in connection with the acts or omissions to act of such Indemnitor which are a result of such Indemnitor's fault, negligence, or breach of its obligations under this Agreement. Notwithstanding the foregoing provision, the Indemnitor shall have no obligation to be responsible for, nor to indemnify, re-imburse, or save harmless any Indemnitee for loss or damage to any property of the Indemnitee.

6.12 Force Majeure

6.12.1 If either Party shall be unable, by reason of a Force Majeure event, to carry out its obligations under this Agreement, either wholly or in part, that Party shall be excused for whatever performance is affected by the Force Majeure event to the extent so affected, provided that the non-performing Party shall:

- I. give prompt notice to the other Party of the occurrence of the Force Majeure giving an estimation of its expected duration and the probable impact on the performance of its obligations hereunder and submitting good and satisfactory evidence of the existence of the Force Majeure;
- II. exercise all reasonable efforts to continue to perform its obligations hereunder;
- III. expeditiously take action to correct or cure the Force Majeure and submit good and satisfactory evidence that it is making all reasonable efforts to correct or cure the Force Majeure;
- IV. exercise all reasonable efforts to mitigate or limit harm as a result of Force Majeure to the other Party to the extent such action will not adversely affect its own interest;

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- V. provide prompt notice to the other Party of the cessation of the Force Majeure; and provided further, that any payment obligations of either Party which arose before the occurrence of the Force Majeure event causing non-performance shall not be excused as a result of the occurrence of a Force Majeure event;
- VI. as soon as reasonably possible after such Force Majeure event to fulfill or resume fulfilling its obligations hereunder;

6.12.2 Upon the occurrence of a Force Majeure event (“Event”), the Party whose performance is affected by such event (the “Affected Party”) shall notify the other Party (the “Unaffected Party”) of the occurrence as required in Subparagraph 6.12.1 and the Affected Party shall either: (i) include in such notice an estimate of the time to cure with reasonable diligence the performance affected by such event; or (ii) provided the Seller, if it is the Affected Party, cannot cure with reasonable diligence the performance affected by such event within six (6) months of the commencement of the event, include in such notice its intention to immediately terminate this Agreement due to the Force Majeure event. If the Affected Party does not proceed forthwith to cure the event with reasonable diligence or the event is not curable with reasonable diligence within 12 months after the occurrence of the event, the Unaffected Party shall be at liberty to terminate this Agreement.

6.13 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

6.14 Insurance

6.14.1 The Interconnection Customer shall, at all times during the Term, hold all risk property insurance and public liability insurance in respect of the Interconnection Customer’s Interconnection Facilities and Generating Facility as would be implemented by a reasonably prudent owner of such Interconnection Facilities and Generating Facility.

6.14.2 Distribution Provider will be shown as an additional insured on the liability policy.

6.14.3 The Interconnection Customer shall provide the Distribution Provider with certificates issued by insurers evidencing the insurance coverages described above.

6.15 Default

6.15.1 General:

No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in Article 6.12 of this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Article 6.15.2, the defaulting Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within thirty (30) Calendar Days, the defaulting Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

6.15.2 Right to Terminate

If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, 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 article will survive termination of this Agreement.

6.16 Subcontractors

6.16.1 General

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

6.16.2 Responsibility of Principal

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

6.16.3 No Limitation by Insurance

The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

6.17 Consequential Damages

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

6.18 Reservation of Rights

Both Parties shall have the right to make a unilateral filing with the Board to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rules or regulations there under; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before the Board in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties except to the extent that the Parties otherwise mutually agree as provided herein.

6.19 Conflicts

In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties. To the extent of a conflict between the provisions of Article 2.5 of this Agreement and any power purchase agreements between the Parties, this Agreement shall take priority to the extent of any such conflict.

ARTICLE 7. CONFIDENTIALITY

- (a) Any and all Confidential Information except as permitted elsewhere in this Article, shall not be used, revealed or divulged to any other Person, or published in any manner whatsoever, without first obtaining the written consent of the other Party.
- (b) Notwithstanding the provisions of Sub-paragraph(a), a Party may reveal or divulge Confidential Information:
 - i) that is already in the public domain,
 - ii) to its Affiliates and to its and their officers, directors, employees, agents or other representatives,
 - iii) as required by applicable laws, including, without limitation, as required by the Nova Scotia Utility and Review Board, the orders or directions of tribunals having jurisdiction or stock exchange or clearing house requirements,
 - iv) as necessary in connection with any dispute resolution commenced pursuant to this Agreement or any litigation commenced in respect of this Agreement; or
 - v) in confidence, to the extent necessary, to any consultants, financial institutions or advisors to such Party, or any potential investors in, or lenders to, the Interconnection Customer or the Generating Facility, or Distribution Provider's Distribution System or Affected Systems.

ARTICLE 8. DISPUTES

- 8.1 In the event of a dispute or claim arising out of or in connection with this Agreement or its performance, a Party (the "Disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the senior representatives are unable to resolve the claim or dispute within thirty (30) Calendar Days of issuance of the Notice of Dispute, such claim or dispute shall, upon Agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Agreement.
- 8.2 The Parties agree to submit the dispute to binding arbitration, pursuant to the terms of the *Commercial Arbitration Act*, S.N.S. 1999, c.5. In particular, the Parties agree to utilize the arbitration procedure attached as Schedule "A" to the *Commercial Arbitration Act* in the conduct of the arbitration. Any matter in dispute that is submitted for arbitration shall be heard by a single arbitrator chosen unanimously by the parties. In the event the parties cannot agree on a person to act as a single arbitrator, each party shall choose one panelist and the two panelists shall choose an independent third panelist who shall also chair the arbitration. No such arbitrator shall have previously been employed by either party and shall not have a direct or indirect interest in either party or the subject matter of the arbitration. The cost of the arbitration, excluding a party's legal fees and disbursements shall, unless otherwise ordered by the arbitrator or the panel, be borne equally by the parties.

ARTICLE 9. SIGNATURES

EXECUTED by the parties hereto the day and year first above written.

Nova Scotia Power Incorporated

[Interconnection Customer]

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX A: SYSTEM IMPACT STUDY

This study will be conducted either by Distribution Provider or by qualified consultants under the direction of Distribution Provider. Costs incurred by the Distribution Provider are the responsibility of the Interconnection Customer. The objectives of the study include:

- a) To provide a description of the Interconnection Customer's Generating and Interconnection Facilities.
- b) To establish the One-line Diagram depicting Generating Facility, Interconnection Facilities, and location of Metering Equipment provided by the Interconnection Customer.
- c) To determine the impact of the proposed Generation Facilities on the reliability of the Distribution System.
- d) To provide the Interconnection Customer with a list of additions and/or upgrades required by the Distribution Provider to the Distribution System, Affected System, the Interconnection Customer's Interconnection Facilities and the Generation Facility to allow the project to proceed.
- e) To provide an estimate of the capital contribution that the Interconnection Customer must pay to the Distribution Provider for the additions and/or upgrades required by the Distribution Provider to the Distribution System, Affected System, the Interconnection Customer's Interconnection Facilities and the Generation Facility to allow the project to proceed.
- f) To identify all provisions and conditions to be added to the Small Generator Interconnection and Operating Agreement to permit this project to proceed.
- g) To provide an analysis of technical issues associated with the generation facility including transformer connections, voltage dip/flicker, harmonic distortion, voltage unbalance, neutral inversion, harmonic resonance, self-excitation, grounding, protection and co-ordination, interconnection requirements, communication requirements, and impact on upstream devices.
- h) To identify and explain any operational limitations placed upon the Generation Facility

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**APPENDIX B: ONE-LINE DIAGRAM DEPICTING GENERATING FACILITY,
INTERCONNECTION FACILITIES, METERING EQUIPMENT, AND UPGRADES**

APPENDIX C: MILESTONES

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

Milestone/Date Responsible Party

- (1) _____
- (2) _____
- (3) _____
- (4) _____
- (5) _____
- (6) _____
- (7) _____
- (8) _____

Agreed to by:

For Distribution Provider _____ Date _____

For Interconnection Customer _____ Date _____

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APPENDIX D: ADDITIONAL OPERATING REQUIREMENTS

(for the Distribution Provider's Distribution System and Affected Systems Needed to Support Interconnection Customer's Needs)

Distribution Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating Parallel Operation with the Distribution System.

APPENDIX E: NOTICES AND CONTACTS

Notices:

Distribution Provider: Nova Scotia Power Inc.

Mail:

P.O. Box 910
Halifax, Nova Scotia
B3J 2W5
Attention: Corporate Secretary

Courier:

1894 Barrington Street
Halifax, Nova Scotia
B3J 2A8
Attention: Corporate Secretary

Interconnection Customer:

Mail:

Address
Attention:

Courier:

Address:
Attention:

Contacts:

Distribution Provider:

Contact Person: _____

Telephone #: _____ **Fax: #** _____

e-mail: _____

Interconnection Customer:

Contact Person: _____

Telephone #: _____ **Fax: #** _____

e-mail: _____