



**AGREEMENT FOR PARALLEL CONNECTION OF A CUSTOMER-OWNED RENEWABLE RESOURCE GENERATING SYSTEM (RRGS) OF UP TO 75 kW WITH THE CITY OF GALLUP ELECTRIC DISTRIBUTION SYSTEM**

This Agreement is made and entered into this day of \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, by and between the City of Gallup, New Mexico, a New Mexico Municipal Corporation ("City") and \_\_\_\_\_, ("Customer"), whose address under this Agreement is \_\_\_\_\_, ("Property").

Whereas, the City wishes to encourage the development of electric power generation using renewable fuels; and

Whereas, the customer desires to construct and/or operate a Renewable Resource Generating System ("RRGS") connected in parallel with the City power distribution system (hereafter "System") through the customer's connection to the meter at or on the property; and

Whereas, there are inherent safety, power quality, and other issues with such an installation.

Now, Therefore and in Consideration of the Mutual Covenants and Agreements Between the Parties, the City and Customer Hereby Agree as Follows:

1. The City agrees that RRGs as specified in the attached "Application and Approval Form for RRGs of up to 75 kW may be connected in parallel with the City distribution system once the *following conditions* are met:
  - a. The customer and the City have signed this Agreement.
  - b. The installation is in compliance with all provisions in the attached Appendix A, hereby made a part of this Agreement.
  - c. The installation has been inspected and approved by the State of New Mexico Construction Industries Division ("CID") Electrical Inspector.
  - d. The Application and Approval Form for RRGs of up to 75 kW document is completed and signed by CID and the City.
  - e. Appendix B, hereby made a part of this Agreement has been signed by the customer and the City.
2. This Agreement applies solely to customer's RRGs at or on the property.

3. The City reserves the right to terminate this Agreement and service rendered hereunder without cause with thirty (30) days written notice.

4. Any material default of this Agreement by the customer shall give cause to the City to terminate without notice this Agreement and service rendered hereunder.

5. The customer agrees to immediately notify the City in writing if the customer:

- a. Sells or rents the property.
- b. Is no longer the occupant of the property.
- c. Makes a change to the RRGS and or its components.

6. The customer agrees to the metering and billing terms for Net Metered customers set forth in the Requirement for Interconnection of Customer-Owned Renewable Resource Generating Systems (RRGS) of up to 75 kW.

By \_\_\_\_\_  
Customer

Date: \_\_\_\_\_

By \_\_\_\_\_  
City of Gallup Electric Utility Staff Member

Date: \_\_\_\_\_

## APPENDIX A

### CITY OF GALLUP REQUIREMENTS FOR INTERCONNECTION OF COMMERCIAL CUSTOMER-OWNED RENEWABLE RESOURCE GENERATION SYSTEMS (RRGS) OF UP TO 75 kW

The City of Gallup may authorize the interconnection of any photovoltaic or other qualifying renewable energy resource, generating system rated at 75 kilowatts or less that is in compliance with the requirements herein. Interconnection shall be limited to City of Gallup Commercial electric customers in good standing and that are current on all City of Gallup utility billings in their name and who have not been delinquent on any account in their name for twelve (12) months prior to application for interconnection.

#### Definitions

A customer-owned **Renewable Resource Generation System (RRGS)** is any electric generating system rated at 75 kW or less which uses non-carbon based fuels, including but not limited to Solar and Wind generation systems.

An **Inverter**, also referred to as a *power conditioner*, is a device that converts direct current energy to alternating current energy and shall be of a static type, rotating devices are not an approved device.

**Non-islanding or Anti-islanding** is the prevention of a device from back feeding energy to the energy grid upon loss of voltage on the grid.

**Extreme Conditions** are any conditions which may (as determined by the City) pose a hazard to the safety of City personnel, the public or customer, and or which may adversely affect the City electric distribution system.

#### Codes and Standards

All RRGS and associated equipment shall be listed and in compliance with all applicable Underwriters Laboratories (UL) Standards, applicable IEEE, 2005 National Electric Code, State and Local Codes and Regulations.

### System Installation

Prior to the installation of any interconnected RRGs the customer shall first make application for Interconnection, execute an agreement (Agreement for Parallel Connection of a Customer-Owned Renewable Resource Generating System {RRGS}), and shall obtain applicable State and City of Gallup Permits.

### Agreements

Prior to connection or operation of any interconnected RRGs the customer shall have executed an Agreement for Parallel Connection of a Customer-Owned Renewable Resource Generating System (RRGS).

### Inspection and Approvals

Prior to connection and operation of any RRGs, the RRGs and any and all associated equipment shall have passed inspection by the City and State of New Mexico, Construction Industries Division (CID). The customer is responsible for obtaining the necessary permits from CID, and scheduling inspection by CID. Inspection by the City will not be done until CID has inspected and approved the installation and shall be scheduled a minimum of ten (10) working days in advance. The customer's contractor shall be present for the City inspection.

Inspection by the City shall include verification of anti-islanding and quality of power output.

After the RRGs and associated equipment has passed inspection by the City, the City will provide written approval for connection. This approval is included on the Application.

This approval along with an executed Agreement for Parallel Connection of a Customer-Owned Renewable Resource Generating System (RRGS) must be provided to the City of Gallup Customer Service Department at the time of application for Net Metered Service.

### Extreme Conditions

The City reserves the right to refuse to accept power from and or disconnect any RRGs under extreme conditions which may adversely affect the City electric system or its customers, failure of the RRGs or customer to comply with any applicable rule or regulation and any condition which may pose a safety issue for the City, its customers or the RRGs owner. If the City chooses to exercise this option it shall make a reasonable effort to notify the customer when such conditions exist or are anticipated to exist, and to reconnect the system when the conditions no longer exist.

### External Disconnect Switch

A the City accessible, manual, lockable load break utility-interface disconnect switch shall be installed between the output of the inverter and customer's wire connected to the City electric distribution system. This switch is later referred to as the Customer Disconnect Switch (CDS).

The CDS shall, if possible, be located near and within site of the City metering point. Alternate locations not near and within site of the City metering point shall be approved by the City and shall only be approved based on site conditions, cost shall not be considered as a justifiable cause.

The CDS must provide a verifiable, visible air gap between the inverter and point of interconnection with the City system. Circuit breakers and inverter software modes do not meet the CDS requirement.

A permanent weatherproof one-line diagram of the system clearly identifying all major components of the system and their relationship and location must be permanently installed at the City metering point.

### Testing

Prior to connection, the RRGs and associated equipment shall be tested to verify anti-islanding and power output quality. The City shall have the right to require additional testing at any time so long as the RRGs is interconnected to the City distribution system. All testing shall be performed in the presence of City personnel. Prior to testing the RRGs or associated equipment, the customer shall notify the City it intends to test the system. The City shall make every reasonable attempt to schedule its observance of the test at the customer's convenience, if agreement between the City and the customer cannot be reached as to when the test shall occur the City shall give the customer written notice of the dates and times of its availability.

### Indemnification

The customer shall properly execute the Indemnification Agreement in the exact form attached as Appendix B and deliver it to the City upon submitting the Application.

### System Equipment Protection

It is the sole responsibility of the customer to protect its RRGs and associated equipment and components from damage by normal conditions and operations that occur on the part of the City in delivering and restoring system power. The City hereby disclaims any liability whatsoever for damage to the customer's equipment.

### Metering Requirements

The customer shall be responsible for the cost associated with any and all upgrades necessary to the service entrance and meter and associated equipment necessary to provide metering of excess kW produced by the customer-owned RRGs and delivered back to the City.

## Net Metering

Prior to making application for Net Metering, the customer shall have executed an Agreement for Parallel Connection of a Renewable Resource Generating System (RRGS), and have had the system inspected and approved by the City and CID.

If the energy supplied by the City to the customer exceeds the energy generated by the customer's RRGS during a billing period, the customer will be billed for the net energy supplied by the City at the applicable rate for similar customers and as such may be amended from time to time.

If the energy generated by the customer's RRGS exceeds the energy supplied by the City, the City will credit the customer's account with the net kWh received by the City during any billing period. Credits will be applied to customer's bill, and will be carried forward from month to month.

The City may at its discretion reconcile the customer account on an annual basis buying-back all kWh credits at the applicable the City avoided costs (approximately \$0.02 per kWh which is subject to change). Upon the customer terminating his or her account or moving to another service location, the City will reconcile the account, and the City will buy-back from the customer all kWh credits on the account at the applicable the City avoided cost (approximately \$0.02 per kWh which is subject to change).

The monthly minimum charge "Service Charge" shall never be less than the charge for similar customers, and shall be the difference in the base "Energy Charge" less 75 kWh at the applicable energy rate.

## Budget Billing

Due to the unknown generation of the customer's RRGS and the inability to accurately predict generation and usage, Budget Billing *will* not be available to Net Metered customers.

**APPENDIX B  
HOLD HARMLESS/INDEMNIFICATION**

To the fullest extent permitted by laws and regulation, customer shall defend, indemnify, and hold harmless the City of Gallup, its officers, directors, agents, guests, invitees, and employees from and against all claims, damages, losses, and expenses, direct, indirect, or consequential (including but not limited to fees and charges of engineers, architects, attorneys, and other professionals and court arbitration costs) arising out of or resulting from any acts of commission, omission, negligence, recklessness, or intentional wrongful conduct of the customer, or any other person or organization directly or indirectly employed by the customer to perform or furnish any of the work or anyone for whose acts any of them may be liable.

In any and all claims against the City, or any of its officers, directors, agents, or employees by any employee of the customer, or any other person or organization directly or indirectly employed by the customer to perform or furnish any of the work or anyone for whose acts any of them may be liable, this Indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the customer or any other person or organization under worker's compensation acts, disability benefit acts, or other employee benefit acts, nor shall this Indemnification obligation be limited in any way by any limitation on the amount or type of insurance coverage provided by the city or the customer.

Applicability: It is the express intent of the customer that this Agreement shall apply solely to the project indicated below:

Parallel connection of a Customer-Owned Renewable Resource Generating System (RRGS), its components and accessories with the City of Gallup Electric Distribution System at \_\_\_\_\_, service account number \_\_\_\_\_.

Savings Clause: The parties agree that to the extent the written terms of this Indemnification conflict with any provisions of New Mexico laws or statutes, in particular Sections 41-4-1 et.seq. N.M.S.A. 1978 Compo (as revised) of the New Mexico Tort Claims Act, the written terms of this Indemnification shall be deemed by any court of competent jurisdiction to be modified in such a manner as to be in full and complete compliance with all such laws or statutes and to contain such limiting conditions, or limitations of liability, or to not contain any unenforceable, or prohibited term or terms, such that this Indemnification shall be enforceable in accordance with and to the greatest extent permitted by New Mexico Law.

\_\_\_\_\_  
Signature of Customer

\_\_\_\_\_  
Printed Name  
ATTEST:

\_\_\_\_\_  
Witness

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ ) §

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_,  
by \_\_\_\_\_.

He/She is personally known to me or has produced a State Driver's License Number  
\_\_\_\_\_ as identification.

\_\_\_\_\_  
Signature of Person Taking Acknowledgement

\_\_\_\_\_  
Printed Name of Person Taking Acknowledgement

\_\_\_\_\_  
Title

\_\_\_\_\_  
Serial Number, if any

Notary Seal