



**CUSTOMER
NET ENERGY BILLING
AGREEMENT**

(Facilities of 660 Kilowatts or less)

BETWEEN

Emera Maine

AND

Customer

Location of Facility

(To Be Filled in by Company)

Commencement Date

BANGOR HYDRO DISTRICT

MAINE PUBLIC DISTRICT

CUSTOMER NET ENERGY BILLING AGREEMENT

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CUSTOMER NET ENERGY BILLING AGREEMENT

Qualifying facility of 660 KW or less

This AGREEMENT, entered into as of the date _____ is between _____ (the "Customer(s)") relative to Account # _____ and _____, if applicable, located at _____, Maine, and Emera Maine, a Maine corporation having its office and principal place of business in Bangor, Maine (the "Company") for the interconnected operation of the Company's electric system and the Customer's generating equipment described as follows:

Generator Information

Location of Facility: _____

City/State/Zip: _____

Manufacturer: _____

Model: _____

Energy or Source Type (e.g. hydro, photovoltaic, wind): _____

Nameplate rating (KW): _____

Electric Energy Storage Capability (no, yes-describe): _____

WHEREAS, the Customer has complied with the requirements under Chapter 324 of the Maine Public Utilities Commission for small generation interconnection prior to being granted approval for net energy billing.

WHEREAS, Chapter 313 of the Rules and Regulations of the Maine Public Utilities Commission requires that transmission and distribution utilities engage in annualized net energy billing arrangements with customers who meet the qualification and use standards of Chapter 313; and

WHEREAS, the Customer has represented to the Company that it meets the qualification and use standards of Chapter 313 and has requested that the Company engage in annualized net energy billing with the Customer as described in Chapter 313;

In consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

ARTICLE I: DEFINITIONS

The following terms not defined in Chapter 313 shall have the following meanings under this Agreement:

"Billing Period" is the period of time (approximately thirty (30) days) between the recording of metered energy delivered to and received from the Eligible Facility.

"Commission" is the Maine Public Utilities Commission established under Title 35-A of the Maine Revised Statutes or any succeeding state regulatory agency having jurisdiction over public utilities.

"Credits" are the number of kilowatt-hours by which Out Energy has exceeded In Energy during any Billing Period.

"Customer's Interconnection Equipment" is all equipment and facilities owned by the Customer and located on the Customer's side of the Point of Delivery required by the Company to be installed to interconnect and deliver energy to the Company's system, including but not limited to connection, switching, transformation, protective relaying and safety equipment.

"Effective Date." This Agreement shall become effective upon execution by the Parties.

"Facility" is all of the Customer's plant and equipment, including the Customer's generator, inverter, storage devices, and Interconnection Equipment, located on the Customer's side of the Point of Delivery.

"Point of Delivery" is the location where the Customer's Interconnection Equipment and the Company's system are connected.

"Prudent Electrical Practice" means those practices, methods and equipment, as changed from time to time, that are commonly used in prudent electrical engineering and operations to operate electric equipment lawfully and with safety and dependability and that are in accordance with the National Electrical Safety Code, the National Electrical Code or any other applicable Federal, State and Local government codes, and the Company's construction standards and Interconnection Requirements for Generation. Further, the Company will not approve interconnection with any generation equipment/device that is not an approved device currently for sale by a reputable manufacturer and meets all IEEE conditions and UL 100% made and inspected.

"Rules" are such Rules and Regulations promulgated by the Commission as shall be in effect from time to time. References in this Agreement to particular provisions of the Rules shall be construed to refer to analogous provisions of any succeeding set of Rules promulgated by the Commission, notwithstanding that such provisions may be designated differently.

"System Emergency" is a condition on the Company's system or on a system with which the Company's system is interconnected which in the Company's sole judgment at the time of the occurrence is likely to result in imminent significant disruption of service to customers or is imminently likely to endanger life or property.

"System Pre-Emergency" is a condition on the Company's system or on a system with which the Company's system is interconnected prior to a System Emergency which, in the Company's sole judgment at the time of the occurrence, could reasonably be expected to lead to a System Emergency. A System Pre-Emergency will include, but will not be limited to, a condition when generation, connected to the Company's system, is reasonably expected to exceed or contribute to exceeding load.

ARTICLE II: QUALIFICATIONS

It is the essence of this Agreement that the Facility: (i) use a renewable fuel or technology as specified in 35-A M.R.S.A. § 3210(2) (C), or is a Micro-Combined Heat and Power System as specified in Chapter 313, section 2.E; (ii) have an installed capacity of 660 kW or less, and (iii) be used primarily to offset part or all of the Customer's own electricity requirements for no more than 10 accounts, all within the Company's service territory.

If the facility is a Single or Shared Ownership Facility, the Customer must provide documentation of a valid ownership interest in the facility for each of the Shared Ownership Customers, including the proportional ownership interest of each Shared Ownership Customer, Exhibit A.

Customer agrees that it shall at all times during the term of this Agreement meet the qualifications set forth in the preceding paragraph.

ARTICLE III: TERM

The term of this Agreement shall commence on the date the Company determines that the Facility meets the requirements of Chapter 324 of the Maine Public Utilities Commission for interconnection by the Company (the "Commencement Date"). This Agreement does not contain a termination date unless requested by the Customer.

Upon the Customer's request, the customer has the choice to specify a term of up to ten years from the Commencement Date. If the customer should identify such a term, the parties shall negotiate in good faith to revise the contract terms if there is a change in statute or rule that materially alters any right or obligation of a contracting party.

Term: _____ years (0-10) from the Commencement Date.

ARTICLE IV: NET ENERGY BILLING

As described in Chapter 313, the customer will be billed on the basis of net energy over the billing period taking into account accumulated unused kilowatt-hour credits from the previous billing period. Net Energy Billing only applies to kilowatt-hour usage charges. Any other charges that are applicable to the Customer and that are recovered by the Company other than through kilowatt-hour usage charges will be collected by the Company and are the responsibility of the Customer. For example, the Customer is responsible for all other charges which are applicable and recovered by the Company either through fixed amounts or units other than kilowatt-hours.

The Customer will not be furnished energy supply service by the Company but may obtain it from any competitive electricity provider that agrees to provide service on a net energy basis. The Company shall not in any way be responsible for computing the charges or performing any netting for this separate generation service bill. Otherwise, the Customer(s) will obtain service from the standard offer provider on a net energy basis.

The Customer may designate up to 10 of its accounts, all located within the Company's service territory, which shall be allocated generation output during the Billing Period and any kilowatt-hour credits from prior Billing Periods. The Customer shall designate such allocations on the attached Exhibit A. Unused Credits shall be allocated in an identical manner. The Customer may change these allocations no more than once in any twelve-month period after the first twelve months upon the Commencement Date.

Twelve month period will apply upon any modification to Exhibit A.

In the case of shared ownership, the generation output and any kilowatt-hour credits from prior billing periods shall be allocated among the Customer(s) based on their ownership interests in the generating equipment.

For purposes of billing, a customer has the choice to be billed according to one of the two following scenarios. Please checkmark one as your billing choice.

- An annualized 12-month period, the periods shall start with the March 1 billing of each year and end with the February billing of the next year. This billing choice may be amended in the event the law governing this type of an arrangement is changed. The meter will be read based on the customer's normal meter reading date as may be in effect.

OR

- A rolling 12-month period which takes effect as of the last read date following the Commencement Date.

At the end of each 12-month period, any accumulated unused kilowatt-hour credits shall be eliminated and may not be applied against any future kilowatt-hour usage. The customer or the shared ownership customers will receive no compensation for unused kilowatt-hour credits.

ARTICLE V: INTERCONNECTED EQUIPMENT

The Customer is responsible for all costs associated with the installation and connection of its generating equipment. The Customer shall provide and maintain in good working order automatic protective equipment required by and approved by the Company. The Customer shall comply with the Company's interconnection standards and Prudent Electrical Practice.

ARTICLE VI: INTERCONNECTED OPERATION

The Company agrees to permit the Customer(s) to operate the above described equipment in parallel with the Company's electric system at the Customer(s)' service locations in the utility Company's service territory under the terms of this Agreement for the purpose of net energy billing. Parallel operation is prohibited unless approved by the Company pursuant to the terms of this Agreement

The Customer(s) will complete and submit to the Company two signed originals of this Agreement and Exhibit A hereto. Agreements will not be processed until a complete, signed package is submitted. Upon receipt of a complete Agreement, the Company will review the information and approve, modify or reject the application. Once the Agreement is approved, the Company will sign and return one copy of this Agreement to the Customer(s).

For a new Facility, upon completion of the Facility, but prior to interconnected operation, the Customer shall notify the Company at least 5 business days prior to the initiation of operation and shall request an on-site inspection, including a test of the Customer's Interconnection Equipment. The Company will schedule and perform the inspection and will notify the Customer of the results of this inspection in writing. The Customer shall not attempt interconnected operation until the Company has completed their interconnection inspection and dependent upon the passing of the inspection the customer may connect to the utility's electrical system. Should the Customer fail the Company's initial inspection, the Customer shall bear the cost of any required follow-up inspections, including, but not limited to, labor, transportation, and appropriate overheads.

For an existing Facility, prior to this Agreement becoming effective, the Company, as it deems necessary, will review and test the Customer's Interconnection equipment. The Company shall notify the Customer of the results of this inspection in writing. The Customer shall not perform interconnected operation, under this Agreement, until the Company has completed their interconnection inspection and dependent upon the passing of the inspection the customer may connect to the utility's electrical system. Should the customer fail the Company's initial inspection, the Customer shall bear the cost of any required follow-up inspections, including, but not limited to, labor, transportation, and appropriate overheads.

If the Company, in its sole discretion, determines that the Customer's Interconnection Equipment is not acceptable for continued interconnected operation because such operation may have an adverse impact on service to its other customers or may jeopardize the Company's ability to operate and maintain its system in a manner consistent with Prudent Electrical Practice, the Company will notify the Customer in writing. Within ten (10) days of Customer's receipt of notification, the Customer shall initiate corrective action as necessary to bring the Facility into conformance as specified in the notice. The Customer shall bear the costs of any such corrective action. Conformance with the notice must be achieved within thirty (30) days, or other reasonable time agreed to with the Company. If not achieved, as specified in the Company's notice, within the required time, the Customer shall discontinue interconnected operation until conformance is achieved.

Prior to undertaking any modification of the Facility or the Customer's Interconnection Equipment, the Customer must reapply for an interconnection and receive a new agreement. The Customer shall not attempt interconnected operation after the modification of the Facility or the Customer's Interconnection Equipment until the Company has inspected Customer's modification and notified the Customer in writing that Customer's modification has passed the Company's inspection. The Customer shall not perform interconnected operation, under this Agreement, until the Company has completed their interconnection inspection and dependent upon the passing of the inspection the customer may connect to the utility's electrical system. Should the customer fail the Company's initial inspection, the Customer shall bear the cost of any required follow-up inspections, including, but not limited to, labor, transportation, and appropriate overheads due to the Customer's modifications.

ARTICLE VII: METERING

The Company will determine the metering equipment necessary to accomplish the net energy billing and to collect the applicable State of Maine sales tax on the usage.

The Customer will be responsible for incremental metering costs above and beyond standard equipment for the class of customers already included in rates. The Company will own, maintain, and read the metering equipment.

ARTICLE VIII: ACCESS

The Customer shall permit representatives of the Company to access the Facility at all reasonable times.

ARTICLE IX: BILLING ADJUSTMENTS

In the event that billing adjustments are required as the result of meter inaccuracies or any other error, the Company and the Customer will work together to correct the billing.

ARTICLE X: CONTINUITY OF SERVICE

The Company shall not be obligated to accept, and the Company may require the Customer to curtail, interrupt or reduce deliveries of energy in order to construct, install, maintain, repair, replace, remove, investigate or inspect any of the Company's equipment or any part of the Company's system, or if the Company determines that curtailment, interruption or reduction of deliveries of energy is necessary because of System Pre-Emergencies or System Emergencies or as otherwise required by Prudent Electrical Practice.

ARTICLE XI: GOVERNMENTAL AUTHORIZATIONS

The Customer shall obtain all governmental authorizations and permits required for operation of the Facility and shall maintain all required governmental authorizations and permits required for the Facility

during the term hereof. The Customer shall provide copies of any such authorizations, permits and licenses to the Company upon request.

ARTICLE XII: INSURANCE

The Customer may be required to maintain liability of insurance pursuant to its obligation under the Maine Public Utilities Commission Chapter 324 Small Generator Interconnection Procedure level definition.

ARTICLE XIII: INDEMNIFICATION

It is understood and agreed that the Customer holds the Company harmless for, and assumes all risk of, damage to its Facility caused by the operation of the Facility in parallel with the Company's system. It is further understood and agreed that the Company holds the Customer harmless for, and assumes all risk of, damage to the Company's system caused by the operation of said system in parallel with the Facility.

Each party shall indemnify the other party, its officers, agents, directors, and employees against all loss, damage, expense, and liability to third persons for injury to or death of persons or injury to property occurring on the indemnifying party's side of the Point of Delivery, resulting from any cause whatsoever, including the sole negligence of the party indemnified; provided, however, that neither party, nor its officers, agents, directors or employees shall be liable to the other party, its agents, officers, directors or employees for incidental, special, indirect or consequential damages of any nature connected with or resulting from performance of this Agreement. The indemnifying party shall, on the other party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying party shall pay all costs (including reasonable attorneys' fees and costs) that may be incurred by the other party in enforcing this indemnity.

Notwithstanding the foregoing provisions of this Article, if the Customer's Interconnection Equipment fails to operate for any reason or if the Customer shall energize a deenergized Company circuit, the Customer shall indemnify and hold the Company harmless from all claims, demands, losses or damages to third parties (including, without limitation, reasonable attorneys' fees and costs of defense) caused by or resulting from the Customer's generation, together with all costs of enforcing this paragraph.

ARTICLE XIV: ASSIGNMENT

This Agreement shall not be assigned, pledged or transferred by either party without the written consent of the non-assigning party, which consent shall not be unreasonably withheld. All assignees, pledgees or transferees shall assume all obligations of the party assigning the Agreement. If this Agreement is assigned without the written consent of the non-assigning party, the non-assigning party may terminate the Agreement.

If the Customer is a closely held corporation, then for the purposes of this Article a sale of all or substantially all of the voting securities of the Customer to a third party shall be deemed an assignment of this Agreement.

The Customer will notify the Company in writing of any change of ownership due to the sale of the property, the death of a Customer or the transfer via any other means within 30 days of the effective date of said change. Such notification would include but not be limited to leased or rental properties.

If this Agreement is assigned from the Customer to another party, by virtue of any insolvency proceeding, then the assignee, within 30 days of assumption of this Agreement, shall reimburse the Company for all reasonable expenses incurred by the Company in conjunction with such insolvency proceeding.

The Company and the Customer agree that in determining whether any withholding of consent to an assignment shall be reasonable, it shall be understood that it is of the essence of this Agreement that (i) the Customer deliver its energy from the Facility as defined herein, and (ii) the assignee be a customer of the Company whose proximity to the Facility makes Net Energy Billing appropriate. For that reason, the Company may reasonably refuse to consent to any assignment of this Agreement that would result in a change either in the type or the location of the Facility contemplated in this Agreement.

ARTICLE XV: BREACH; TERMINATION

In the event of breach of any terms or conditions of this Agreement, if the breach has not been remedied within 30 days following receipt of written notice thereof from the other party or in the event of any proceedings by or against either party in bankruptcy, insolvency or for appointment of any receiver or trustee or any general assignment for the benefit of creditors, the other party may terminate this Agreement.

Either party may terminate this Agreement at any time by providing the other party with sixty (60) days prior written notice.

If the Customer increases the capability or the capacity of the Facility to exceed 660 kW, this Agreement shall immediately terminate. The Company shall not be liable to the Customer for damages resulting from a termination pursuant to this paragraph.

If the Customer's generating equipment produces zero (0) kilowatt-hours during any period of twelve (12) consecutive Billing Periods, the Company may terminate this Agreement.

The Company reserves the right to immediately sever the interconnection when, in the Company's judgment, a safety hazard exists or interconnection does not comply with the definition of "Prudent Electrical Practice".

ARTICLE XVI: WAIVER

Any waiver at any time by either party of its rights with respect to a default under this Agreement, or with respect to any other matters arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter.

ARTICLE XVII: MODIFICATION

No modification to this Agreement shall be valid unless it is in writing and signed by both parties hereto.

ARTICLE XVIII: APPLICABLE LAWS

This Agreement is made in accordance with the laws of the State of Maine and shall be construed and interpreted in accordance with the laws of Maine, notwithstanding any choice of law or rules that may direct the application of the laws of another jurisdiction.

ARTICLE XIX: INTEGRATION

The terms and provisions contained in this Agreement between the Customer and the Company constitute the entire Agreement between the Customer and the Company and shall supersede all previous communications, representations, or agreements, either verbal or written, between the Customer and the Company with respect to the Facility and this Agreement.

ARTICLE XX: SEVERABILITY

The invalidity of any provision of this Agreement shall not affect the validity or enforceability of any other provision set forth herein.

ARTICLE XXI: CAPTIONS

All indexes, titles, subject headings, section titles, and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive or definitive or to affect the meaning of the contents or scope of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed, all as of the day and year first above written.

CUSTOMER

Signature: _____ Date: _____

Name: _____

Title: _____

COMPANY

Signature: _____ Date: _____

Name: _____

Company Name: Emera Maine

Title: _____

EXHIBIT A

Net Energy Billing Single or Shared-Ownership Facility

Instructions

1. Contact information and a signature are required for each customer who has a percentage interest in the renewable energy generator. Please utilize this Exhibit to list information for each, the designated account numbers for the generation to be applied to and the percentage of the total generation that should be applied. Please note that pursuant to Chapter 313, section 3.E.5, Shared Ownership Customers will have generation output allocated based on the ownership percentage of each Shared Ownership Customer and only ten (10) accounts can be designated. Please duplicate the information below for representation of additional shared-ownership as needed.
2. Documentation that each of the customers has a valid shared-ownership interest in the shared generating facility must be attached, including the proportional ownership of each customer.
3. Appropriate MPUC Chapter 324 Agreement and processing fee has already been completed and furnished to your electrical utility Company.

Generating Facility Information

Physical Address: _____

City: _____ State: _____ Zip Code: _____

Manufacturer: _____ Model: _____

Nameplate Rating: _____ (kW) _____ (kVAR) _____ (Volts) Single ___ or Three ___ Phase

Energy Source: Fuel Cells/Tidal Power/Solar/Geothermal/Wind/Hydro/Biomass/Other _____
(Specify)

Designated Contact Person for Account

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Daytime): _____ (Evening): _____

Cell Phone: _____ E-Mail Address: _____

Customer Information (Single or Shared-Ownership)

1. Legal Name and address of customer:

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Daytime): _____ (Evening): _____

Facsimile Number: _____ Cell Phone: _____

E-Mail Address: _____

Ownership % in generating facility: _____

% of generation toward designated account below if different from % ownership: _____

Current electric utility account # or meter number: _____

I hereby certify that, to the best of my knowledge, all of the information provided in this application is true:

Interconnecting Customer Signature: _____ Date: _____

2. Legal Name and address of customer:

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Daytime): _____ (Evening): _____

Facsimile Number: _____ Cell Phone: _____

E-Mail Address: _____

Ownership % in generating facility: _____

% of generation toward designated account below if different from % ownership: _____

Current electric utility account # or meter number: _____

I hereby certify that, to the best of my knowledge, all of the information provided in this application is true:

Interconnecting Customer Signature: _____ Date: _____

Checklist

Please sign on the line beside each item listed below verifying that a complete package has been submitted and the customer(s) are aware all requirements:

MPUC Chapter 313 NEB Agreement (*read and signed*) in duplicate _____

MPUC Chapter 32, Section III (F) Periodic Meter Tests*
(read rule utilizing link below) _____

MPUC Chapter 313* (read rule utilizing link below) _____

MPUC Chapter 315* (read rule utilizing link below) _____

MPUC Chapter 324* (read rule utilizing link below) _____

Exhibit A: NEB Single Shared-Ownership Facility (*read and signed*) in duplicate _____

MPUC Chapter 324 Application, Processing Fee and Agreement completed _____

* MPUC website reference: <http://www.state.me.us/mpuc/legislative/rules/part3-electric.shtml>