

ELECTRIC TARIFF



Original	Revised	Sheet No.	R-20.1
Canceling	Revised	Sheet No.	R-20.1

Rule No. 20

LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

Applicability:

For non-exporting Small Generator Facilities with an Aggregate Nameplate Capacity of up to 10 megawatts approved for Interconnection under Level 3 Expedited Review where power will not be Exported.

**Level 3 Small Generator Interconnection Agreement**

This Small Generator Interconnection Agreement ("Agreement") is made and entered into this day of 20 (the "Effective Date"), by NorthWestern Corporation, a Delaware corporation d/b/a NorthWestern Energy ("NorthWestern") with offices at 11 E. Park, Butte, Montana, 59701-9394, and [ (if individual(s), the name of the owner of the premises)] or [ , a organized under the laws of the State of (if entity, the full legal name of the corporation/LLC/etc. that is the owner of the premises)] ("Customer-Generator") with an address of . Customer-Generator and NorthWestern each may be referred to as a "Party" or collectively as the "Parties" herein.

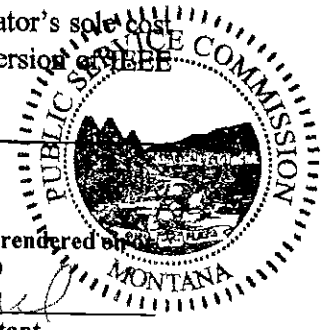
When used in this Agreement, with capitalization, the terms specified shall have the meanings indicated or specified in the Agreement.

- 1. Request for Interconnection.** Customer-Generator's request for Interconnection, as approved by NorthWestern, is made part of this Agreement and incorporated herein as Attachment 1. The Small Generator Facility shall be constructed in the configuration and with the equipment specified in the approved request. To the extent there is any deviation that is not agreed to in writing by NorthWestern, the submission of a new request for interconnection by the Customer-Generator is required.
- 2. No Future Modifications to the Small Generator Facility.** Customer-Generator agrees that, without prior written permission from NorthWestern, no modifications shall be made to the Small Generator Facility as initially approved by NorthWestern. NorthWestern's review shall be completed within 10 business days of receipt of any request for modification. Any increase to the Small Generator Facility Nameplate Capacity requires a new request for Interconnection. Repair and replacement of existing Small Generator Facility components with like components that meet the current versions of Underwriters Laboratories (UL) 1741 certification and Institute of Electrical and Electronics Engineers (IEEE) 1547 requirements for Level 3 facilities and not resulting in increases in Small Generator Facility Nameplate Capacity do not require approval.
- 3. Installing, Operating, and Maintaining the Generation Facility.** Customer-Generator shall construct, operate, and maintain the Small Generator Facility, at Customer-Generator's sole cost and expense, in accordance with Customer-Generator's request and the current version of IEEE

(continued)

Docket No.: 2016.09.066 (D2016.9.66), Order No. 7621a  
Commission Approved: April 29, 2019  
Tariff Letter No.: 356-E  
Agenda No.: 19-04-29

Effective for services rendered on or after October 1, 2019  
*Suzanne Ferrel*  
Administrative Assistant



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	<u>Original</u>	Revised	Sheet No.	<u>R-20.2</u>
Canceling		Revised	Sheet No.	<u>R-20.2</u>

Rule No. 20

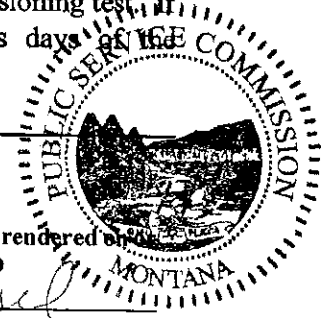
LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

1547, the current version of UL 1741, the regulations of the Montana Public Service Commission (MPSC), NorthWestern's approved tariffs, all other applicable local, state, and federal codes and laws. Customer-Generator shall remain responsible for the Small Generator Facility through the point of Interconnection – the point where Small Generator Facility connects with the Electric Distribution System.

- 4. **Permits and Approvals.** Customer-Generator is responsible for obtaining all required permits and approvals for its Small Generator Facility and is responsible for the actions of contractors or other agents hired by Customer-Generator for design and installation of the Small Generator Facility.
- 5. **Protection of the Small Generator Facility.** Customer-Generator is responsible for protecting, at Customer-Generator's sole expense, its Small Generator Facility from any condition or disturbance on the Electric Distribution System, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that NorthWestern shall be responsible for repair of damage to the Small Generator Facility resulting solely from negligence or willful misconduct on the part of NorthWestern.
- 6. **Electrical Isolation of the Small Generator Facility.** The Small Generator Facility shall be capable of being manually isolated from the Electric Distribution System by means of an external, lockable, visible load break disconnect switch accessible by NorthWestern. The disconnect switch shall be installed, owned, and maintained by the Customer-Generator and located within 10 feet of Customer-Generator's electric meter and shall be clearly marked "Generator Disconnect Switch" on a weather resistant placard. This switch shall be readily accessible to NorthWestern personnel at all times, and NorthWestern may lock this switch open whenever necessary to maintain safe electrical operating conditions. If the disconnect switch will be located farther than 10 feet away from the NorthWestern meter, written permission must be granted by NorthWestern and a weather resistant placard shall be mounted next to the meter indicating clearly where the disconnect switch is located.
- 7. **Witness Test.**

\_\_\_\_\_ If there is an "X" on this line, NorthWestern intends to perform a witness test after the Small Generator Facility is completed. Customer-Generator shall provide NorthWestern at least 20 business days' notice of its planned commissioning test. Upon receipt of such notice, NorthWestern shall contact Customer-Generator to schedule the witness test at a mutually agreeable time within 10 business days of the scheduled commissioning test. If NorthWestern does not perform the witness test within 10 business days of the scheduled commissioning test,

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LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

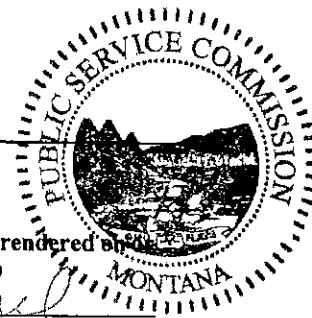
commissioning test, the witness test is deemed waived. If the witness test is not acceptable to NorthWestern, NorthWestern must document all deficiencies and provide a written report identifying the deficiencies to Customer-Generator within 5 business days of the witness test. Customer-Generator shall be granted a period of 30 business days to address and resolve any deficiencies. If there are no deficiencies identified, NorthWestern will notify Customer-Generator the parallel operation of the Small Generator Facility is authorized.

\_\_\_\_\_ If there is an "X" on this line, NorthWestern waives its right to perform a witness test. Once parallel operation of the Small Generator Facility has been authorized by NorthWestern, NorthWestern may not require Customer-Generator to further test its facility.

If a witness test is not performed by NorthWestern or an entity approved by NorthWestern, Customer-Generator must still satisfy the interconnection test specifications and all requirements set forth in the current version of IEEE 1547. Customer-Generator shall, if requested by NorthWestern, provide a copy of all documentation in its possession regarding testing conducted pursuant to the current version of IEEE 1547.

- 8. **Inspection.** NorthWestern reserves the right to inspect the Small Generator Facility before and after Interconnection approval is granted by NorthWestern, at reasonable hours and with reasonable prior notice provided to the Customer-Generator.
- 9. **No Warranty.** By entering into this Agreement, or by inspection or witness test, if any, or by non-rejection, or by approval, or in any other way, NorthWestern does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable standards, codes or requirements, or as to any other characteristics of the Small Generator Facility and related equipment.
- 10. **Access.** NorthWestern shall have access to the metering equipment of the Small Generator Facility and the isolation device required under Section 6 of this Agreement at all times. NorthWestern will provide reasonable notice to the Customer-Generator when possible prior to accessing the Small Generator Facility.
- 11. **Temporary Disconnection.** NorthWestern may temporarily disconnect the Small Generator Facility upon the following conditions:
  - a. For scheduled outages;

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LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

- b. For unscheduled outages or emergency conditions such as a safety hazard to the Electric Distribution System, NorthWestern's personnel, or to the general public; or
- c. If the Small Generator Facility does not operate in the manner consistent with the terms and conditions of this Agreement.

In the case of a scheduled outage, NorthWestern shall make reasonable efforts to inform the Customer-Generator of the planned outage in advance of disconnection. In the case of an unscheduled outage, NorthWestern will provide to the Customer-Generator, upon request, a written report explaining the reasons for the disconnection.

**12. Indemnification and Limitation of Liability.**

- a. General Indemnification. This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Each Party (each an "Indemnifying Party") shall at all times indemnify, defend, and hold the other Party (each the "Indemnified Party") harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Indemnifying Party's action or failure to meet its obligations under this Agreement, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.
- b. Limitation of Liability. Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, 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.

**13. Taxes.** The Parties agree to follow all applicable tax laws and regulations, consistent with Internal Revenue Service requirements.

**14. Term and Termination.** This Agreement shall become effective on the Effective Date and shall remain in effect for a period of 10 years from the Effective Date or such other longer period as the Customer-Generator may request. At the expiration of the term, this Agreement will automatically renew for successive one-year periods, unless terminated in accordance with this Section.

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Original Revised Sheet No. R-20.5  
Canceling Revised Sheet No. R-20.5

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LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

This Agreement may be terminated:

- a. By the Customer-Generator at any time by providing written notice to NorthWestern;
b. By NorthWestern if the Small Generator Facility fails to operate for any consecutive 12-month period;
c. By either Party upon the occurrence of a material breach of this Agreement; provided the defaulting Party is provided a reasonable opportunity to cure the violation after receipt of written notice of the default; or
d. Automatically upon Customer-Generator's sale or transfer of ownership of the Small Generator Facility, provided that the Agreement will survive the transfer of ownership if a subsequent owner agrees in writing to assume contractual responsibility utilizing the form set forth in Attachment 3.

Upon termination, NorthWestern may disconnect the Small Generator Facility from the Electric Distribution System. All reasonable disconnection costs are the responsibility of the Customer-Generator. NorthWestern will not disconnect the Small Generator Facility if a subsequent owner assumes contractual responsibility pursuant to the form set forth in Attachment 3.

- 15. Survival Rights. This Agreement shall continue in effect after termination to the extent necessary to allow or require either party to fulfill rights or obligations that arose under the Agreement during Customer-Generator's operation of the Small Generator Facility.
16. Governing Law, Regulatory Authority, and Dispute Resolution. The validity, interpretation, and enforcement of this Agreement and each of its provisions shall be governed by the laws of the State of Montana, without regard to its conflicts of law principles. Interconnection disputes under this Agreement will be resolved in accordance with ARM 38.5.8413.

17. Representatives:

For the Customer-Generator:

Four horizontal lines for signature and name entry.

For NorthWestern:

NorthWestern Energy
Interconnection Coordinator
11 East Park Street
Butte, Montana 59701

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Original Revised Sheet No. R-20.6  
Canceling Revised Sheet No. R-20.6

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LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

- 18. Miscellaneous. This Agreement may not be assigned by Customer-Generator without the written consent of NorthWestern – provided, however, that this Agreement may be assumed by a new Customer-Generator utilizing the form attached to this Agreement as Attachment 3. The Parties may amend this Agreement by a written instrument duly executed by both Parties. 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. This Agreement 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. 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, such portion or provision shall be deemed separate and independent, and the remainder of this Agreement shall remain in full force and effect. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 19. Signature. In witness whereof, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

NorthWestern:

Customer-Generator:

Name: \_\_\_\_\_  
(Print)

Name: \_\_\_\_\_  
(Print)

Title: \_\_\_\_\_

Title: (if applicable) \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

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

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

(continued)



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LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

**Attachment 1**

**Customer-Generator's Approved Request**

**(Intentionally Blank – Project Specific)**

(continued)



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### LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

#### **Attachment 2 Requirements for Grid Connection of Non-Exporting Small Generator Facility**

The Small Generator Facility may not export power back onto NorthWestern's Electric Distribution System (EDS).

The below requirements are designed to ensure that the Small Generator Facility will meet NorthWestern's safety and power quality requirements. In particular, the requirements are designed to prevent back-feeding of power from the generating facility to the utility grid during power outages, and to match NorthWestern's own power characteristics with respect to voltage and frequency.

#### Requirements:

1. Customer-Generator shall not export power back onto NorthWestern's EDS. All electric energy generated by Small Generator Facility shall be consumed by the Customer-Generator.
2. Safety Considerations:
  - a. The connection of the Small Generator Facility to the EDS must not compromise the safety of NorthWestern's customers, company personnel, or the Customer-Generator. The Customer-Generator is responsible for providing adequate protection to NorthWestern facilities for conditions arising from the operation of generation under all EDS operating conditions.
  - b. The minimum protection requirements are designed and intended to protect the EDS only. The Customer-Generator shall provide at their sole expense, all devices necessary to protect the Small Generator Facility from conditions that may occur on the EDS resulting in interruptions and restorations of electrical service. The installed equipment should protect the Small Generator Facility from over voltage, under voltage, overload, short circuits including ground fault conditions, open circuits, phase unbalance and reversal, over and under frequency conditions, and other injurious electrical conditions that may arise during the operation of the EDS.

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**NorthWestern  
Energy**

Canceling

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## LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

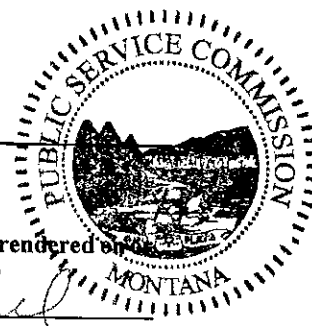
3. Any Small Generator Facility utilizing direct current (DC) shall be interconnected to the EDS through a static inverter that complies with the latest edition of the IEEE Standards, be certified to the current version of UL 1741 Standard, and be on the approved list published by the California Energy Commission.
4. Any Small Generator Facility utilizing alternating current (AC) shall be interconnected to the EDS in compliance with the latest edition of the IEEE Standards.
5. The Customer-Generator will be required to demonstrate compliance to NorthWestern with IEEE Standards during commissioning or periodic testing of the generator. Failure to comply with IEEE Standards at any time will constitute grounds to prohibit the generator from initial interconnection or from continuing to operate as a parallel generator. A copy of NorthWestern's "Interconnection Test Specifications and Requirements for Generation on Distribution Systems" based on IEEE Standards is available upon request.
6. The Customer-Generator shall correct any power factor deviations that may occur as a result of operating the Small Generator Facility. The power factor shall be corrected to a level equivalent to the power factor of the customer load being served without the Small Generator Facility operating at the interconnection metering point.
7. The Small Generator Facility shall be installed in conformance with all applicable requirements of the National Electric Code and local building and electrical codes.
8. The owner of the Small Generator Facility and/or the owner's agents or representatives shall agree not to alter the factory set points for the owner's inverter without first notifying NorthWestern in writing of the owner's intent to make any such modifications.
9. The Small Generator Facility shall be capable of being manually isolated from NorthWestern's system by means of an external, lockable, visible load break disconnect switch accessible by NorthWestern. The disconnect switch shall be installed, owned, and maintained by the Customer-Generator and located within 10 feet of the Customer-Generator's electric meter and shall be clearly marked "Generator Disconnect Switch" on a weather resistant placard. This switch shall be readily accessible to NorthWestern personnel at all times, and NorthWestern may lock this switch open whenever necessary to maintain safe electrical operating conditions. If the disconnect switch is located farther than 10 feet away from the NorthWestern meter, written permission must be granted by NorthWestern and a weather resistant placard shall be mounted next to the meter indicating clearly where the disconnect switch is located.

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Docket No.: 2016.09.066 (D2016.9.66), Order No. 7621a  
Commission Approved: April 29, 2019  
Tariff Letter No.: 356-E  
Agenda No.: 19-04-29

Effective for services rendered on  
after October 1, 2019

*Suzanne J. [Signature]*  
Administrative Assistant



# ELECTRIC TARIFF

**NorthWestern**  
**Energy**

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### LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

#### 10. Steady State Voltage

- a. The Customer-Generator-owned equipment will not cause NorthWestern system voltage to go outside of the limits set by American National Standards Institute and IEEE Standards. If high or low voltage complaints result from the operation of the Customer-Generator's Small Generator Facility, the Small Generator Facility shall be disconnected until the problem is resolved.

#### 11. Voltage Flicker

- a. Voltage flicker shall not exceed a 3.0% voltage change, measured at the point of interconnection. Voltage flicker above this limit may result in a forced disconnect of the Small Generator Facility until the problem is resolved.
- b. A critical time for rapid voltage rise occurs when reconnecting the Small Generator Facility to the EDS. This voltage swing could occur rapidly and may violate the guidelines for distribution voltage flicker. If so, then the Customer-Generator will be required to stagger and appropriately ramp the inverters as necessary to maintain voltage flicker under 3.0%.

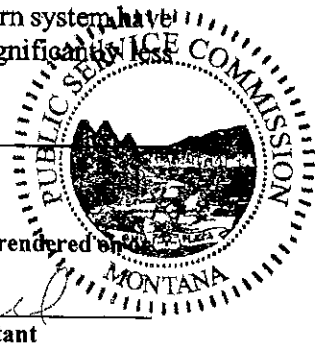
#### 12. Harmonics

- a. The Customer-Generator's Small Generator Facility shall not cause voltage, current, or total harmonic distortion in excess of the IEEE Standards limit when measured at the point of interconnection with the EDS.

#### 13. Temporary and Transient Overvoltage

- a. Ground Fault Overvoltage (GFO) - GFO occurs when an ungrounded voltage source feeds an ungrounded feeder containing a single-phase to ground fault. This results in phase-to-ground overvoltage on the unfaulted phases. NorthWestern primarily operates the EDS with a four wire effectively grounded system. The effectively grounded system together with an appropriate wye-grounded utility side transformer mitigates GFO damages on the EDS. Additional considerations will be necessary for those instances where a four wire effectively grounded system is not available on the EDS. The generator must not be a source of objectionable overvoltage.
- b. Load Rejection Overvoltage (LRO) - LRO can occur when a distribution feeder containing a large amount of generation with a smaller amount of load becomes disconnected from the grid. The result is a high generation to load ratio that can create an overvoltage until the inverters detect the overvoltage condition and disconnect from the EDS. A transient overvoltage can occur when the current output from the Small Generator Facility is temporarily fed into the EDS. Many distribution feeders on the NorthWestern system have low minimum daytime loading. These low loading conditions may be significantly less

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LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

than the generation level. It is the Company's expectation that the Customer-Generator will design and operate their system so as not to create or contribute to damaging overvoltage to loads and equipment on the EDS.

14. Anti-Islanding

- a. Localized areas of utility load including the Small Generator Facility can become separated from the EDS. This is normally a very undesirable condition, as left unchecked, the Small Generator Facility could serve the EDS without utility control of voltage or frequency. This could leave a portion of the EDS energized by the Small Generator Facility when utility workers expect the EDS to be dead. When utility load exceeds the capacity of the Small Generator Facility, the Customer-Generator's certified inverter should trip on under voltage, over current, or under frequency according to IEEE Standards and separate from the EDS. Where load and generation are closely matched, other "anti-islanding" provisions may be required.
- b. NorthWestern requires certified inverters for utility scale Small Generator Facility projects. The certification must show compliance with anti-islanding capabilities for use on the EDS. The potential for islanding may increase with the addition of utility scale inverter based generators or any synchronous generation. NorthWestern may require Direct Transfer Trip protection in some instances.

15. Continuous Compliant Operation

- a. The Customer-Generator will be required to demonstrate compliance to IEEE Standards during commissioning or periodic testing of the Small Generator Facility. Failure to comply with the performance requirements of IEEE Standards at any time will constitute grounds to prohibit the Small Generator Facility from initial interconnection or from continuing to operate on the EDS.

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### LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

#### Attachment 3

#### Assignment and Assumption Agreement Level 3 Small Generator Facility Interconnection Agreement

This Assignment and Assumption Agreement ("Assignment") is made and entered into by and between ("Customer-Generator") and ("Purchaser").

#### RECITALS:

WHEREAS, Customer-Generator owns a Small Generator Facility located at \_\_\_\_\_ (the "Property"), and operates the same pursuant to a Small Generator Facility Interconnection Agreement dated the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ (the "Agreement") with NorthWestern Corporation, a Delaware corporation d/b/a NorthWestern Energy; and

WHEREAS, Customer-Generator desires to assign, and Purchaser desires to receive and accept, all rights and obligations under the Agreement.

#### AGREEMENT:

1. When used in this Assignment, with capitalization, the terms specified shall have the meanings indicated or specified in the Agreement.
2. **Assignment.** Customer-Generator assigns all rights and interest in the Agreement to Purchaser.
3. **Assumption.** Purchaser assumes the Agreement, acknowledges receipt of a copy thereof, and agrees to comply with the requirements set forth therein. Purchaser does not assume any liability for acts or omissions of Customer-Generator accruing prior to the effective date of this Assignment. Upon assignment of the Agreement, Purchaser shall be referred to as the "Customer-Generator".
4. **Effective Date.** This Assignment is effective the later of: (i) Customer-Generator's conveyance of title to the Property to Purchaser; or (ii) NorthWestern's acknowledgment.

This Assignment may be executed in one or more counterparts, including by signature pages delivered in electronic format, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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**NorthWestern  
Energy**

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LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

**Customer-Generator:**

**Purchaser:**

Name: \_\_\_\_\_  
(Print)

Name: \_\_\_\_\_  
(Print)

Title: (if applicable): \_\_\_\_\_

Title: (if applicable): \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

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

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

**Acknowledgment: NorthWestern Energy**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

(continued)

Docket No.: 2016.09.066 (D2016.9.66), Order No. 7621a  
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*Supriya Jaiswal*  
Administrative Assistant



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LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

**Level 3 Small Generator Facility  
Interconnection Agreement – Transfer**

For connected non-exporting Small Generator Facilities with an Aggregate Nameplate Capacity of up to 10 megawatts approved for Interconnection under Level 3 Expedited Review.

**Small Generator Interconnection Agreement – Level 3 Transfer**

This Small Generator Interconnection Agreement – Level 3 Transfer (“Agreement”) is made and entered into this        day of        20        (the “Effective Date”), by NorthWestern Corporation, a Delaware corporation d/b/a NorthWestern Energy (“NorthWestern”) with offices at 11 E. Park, Butte, Montana, 59701-9394, and [        (if individual(s), the name of the owner of the premises)] or [        , a        organized under the laws of the State of        (if entity, the full legal name of the corporation/LLC/etc. that is the owner of the premises)] (“Customer-Generator”) with an address of        Customer-Generator and NorthWestern each may be referred to as a “Party” or collectively as the “Parties” herein.

WHEREAS, Customer-Generator purchased a premises with a Small Generator Facility, and the prior owner was a party to a Small Generator Interconnection Agreement dated as of the        day of        20        (the “Prior Agreement”); and

WHEREAS, the Prior Agreement terminated as of the date the previous owner conveyed the premises, and Customer-Generator desires to operate the Small Generator Facility under terms and conditions materially consistent with the Prior Agreement.

When used in this Agreement, with capitalization, the terms specified shall have the meanings indicated or specified in the Agreement.

- 1. Interconnection.** The request for Interconnection incorporated into the Prior Agreement, as approved by NorthWestern, is made part of this Agreement and incorporated herein as Attachment 1.
- 2. No Future Modifications to the Small Generator Facility.** Customer-Generator agrees that, without prior written permission from NorthWestern, no modifications shall be made to the Small Generator Facility as initially approved by NorthWestern. NorthWestern’s review shall be completed within 10 business days of receipt of any request for modification. Any increase to the Small Generator Facility Nameplate Capacity requires a new request for Interconnection. Repair

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#### LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

and replacement of existing Small Generator Facility components with like components that meet the current versions of Underwriters Laboratories ("UL") 1741 certification and Institute of Electrical and Electronics Engineers ("IEEE") 1547 requirements for Level 3 facilities and not resulting in increases in Small Generator Facility Nameplate Capacity does not require approval.

3. **Operating and Maintaining the Generation Facility.** Customer-Generator shall operate and maintain the Small Generator Facility, at Customer-Generator's sole cost and expense, in accordance with the requirements of Attachment 1 and the current version of IEEE 1547, the current version of UL 1741, the regulations of the Montana Public Service Commission (MPSC), NorthWestern's approved tariffs, all other applicable local, state and federal codes and laws. Customer-Generator shall remain responsible for the Small Generator Facility through the point of Interconnection – the point where Small Generator Facility connects with the Electric Distribution System.
4. **Permits and Approvals.** Customer-Generator is responsible for obtaining all required permits and approvals for its Small Generator Facility.
5. **Protection of the Small Generator Facility.** Customer-Generator is responsible for protecting, at Customer-Generator's sole expense, its Small Generator Facility from any condition or disturbance on the Electric Distribution System, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that NorthWestern shall be responsible for repair of damage to the Small Generator Facility resulting solely from negligence or willful misconduct on the part of NorthWestern.
6. **Electrical Isolation of the Small Generator Facility.** The Small Generator Facility shall be capable of being manually isolated from the Electric Distribution System by means of an external, lockable, visible load break disconnect switch accessible by NorthWestern. The disconnect switch shall be installed, owned, and maintained by the Customer-Generator and located within 10 feet of Customer-Generator's electric meter and shall be clearly marked "Generator Disconnect Switch" on a weather resistant placard. This switch shall be readily accessible to NorthWestern personnel at all times, and NorthWestern may lock this switch open whenever necessary to maintain safe electrical operating conditions. If the disconnect switch will be located farther than 10 feet away from the NorthWestern meter, written permission must be granted by NorthWestern and a weather resistant placard shall be mounted next to the meter indicating clearly where the disconnect switch is located.

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7. **Inspection.** NorthWestern reserves the right to inspect the Small Generator Facility before and after Interconnection approval is granted by NorthWestern, at reasonable hours and with reasonable prior notice provided to the Customer-Generator.
8. **No Warranty.** By entering into this Agreement, or by inspection or witness test, if any, or by non-rejection, or by approval, or in any other way, NorthWestern does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable standards, codes, or requirements, or as to any other characteristics of the Small Generator Facility and related equipment.
9. **Access.** NorthWestern shall have access to the metering equipment of the Small Generator Facility and the isolation device required under Section 6 of this Agreement at all times. NorthWestern will provide reasonable notice to the Customer-Generator when possible prior to accessing the Small Generator Facility.
10. **Temporary Disconnection.** NorthWestern may temporarily disconnect the Small Generator Facility upon the following conditions:
- a. For scheduled outages;
  - b. For unscheduled outages or emergency conditions, such as a safety hazard to the Electric Distribution System, NorthWestern's personnel or to the general public; or
  - c. If the Small Generator Facility does not operate in the manner consistent with the terms and conditions of this Agreement.
- In the case of a scheduled outage, NorthWestern shall make reasonable efforts to inform the Customer-Generator of the planned outage in advance of disconnection. In the case of an unscheduled outage, NorthWestern will provide to the Customer-Generator, upon request, a written report explaining the reasons for the disconnection.
11. **Indemnification and Limitation of Liability.**
- a. **General Indemnification.** This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Each Party (each an "Indemnifying Party") shall at all times indemnify, defend, and hold the other Party (each the "Indemnified Party") harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Indemnifying Party's

(continued)





### Rule No. 20

#### LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

action or failure to meet its obligations under this Agreement, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

- b. Limitation of Liability. Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, 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.

12. **Taxes.** The Parties agree to follow all applicable tax laws and regulations, consistent with Internal Revenue Service requirements.

13. **Term and Termination.** This Agreement shall become effective on the Effective Date and shall remain in effect for a period of 10 years from the Effective Date or such other longer period as the Customer-Generator may request. At the expiration of the term, this Agreement will automatically renew for successive one-year periods, unless terminated in accordance with this Section 16.

This Agreement may be terminated:

- a. By the Customer-Generator at any time by providing written notice to NorthWestern;
- b. By NorthWestern if the Small Generator Facility fails to operate for any consecutive 12-month period;
- c. By either Party upon the occurrence of a material breach of this Agreement; provided the defaulting Party is provided a reasonable opportunity to cure the violation after receipt of written notice of the default; or
- d. Automatically upon Customer-Generator's sale or transfer of ownership of the Small Generator Facility, provided that the Agreement will survive the transfer of ownership if a new owner agrees in writing to assume contractual responsibility utilizing the form set forth in Attachment 2.

Upon termination, NorthWestern may disconnect the Small Generator Facility from the Electric Distribution System. All reasonable disconnection costs are the responsibility of the Customer-Generator. NorthWestern will not disconnect the Small Generator Facility if a new owner assumes contractual responsibility pursuant to the form set forth in Attachment 2 or a separate agreement.

(continued)



ELECTRIC TARIFF



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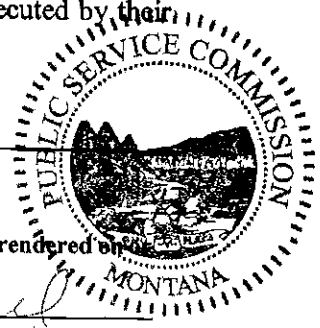
Sheet No. R-20.18  
Sheet No. R-20.18

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LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

- 14. **Survival Rights.** This Agreement shall continue in effect after termination to the extent necessary to allow or require either party to fulfill rights or obligations that arose under the Agreement during Customer-Generator's operation of the Small Generator Facility.
- 15. **Governing Law, Regulatory Authority, and Dispute Resolution.** The validity, interpretation, and enforcement of this Agreement and each of its provisions shall be governed by the laws of the State of Montana, without regard to its conflicts of law principles. Interconnection disputes under this Agreement will be resolved in accordance with ARM 38.5.8413.
- 16. **Representatives:**  
  
  - For the Customer-Generator: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
  - For NorthWestern: NorthWestern Energy  
 Interconnection Coordinator  
 11 East Park Street  
 Butte, Montana 59701
- 17. **Miscellaneous.** This Agreement may not be assigned by the Customer-Generator without the written consent of NorthWestern provided, however, that this Agreement may be assigned to and assumed by a new Customer-Generator utilizing the form attached to this Agreement as Attachment 2. The Parties may amend this Agreement by a written instrument duly executed by both Parties. 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. This Agreement 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. 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, such portion or provision shall be deemed separate and independent, and the remainder of this Agreement shall remain in full force and effect. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 18. **Signatures.** In witness whereof, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

(continued)



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LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

NorthWestern:

Customer-Generator:

Name: \_\_\_\_\_  
(Print)

Name: \_\_\_\_\_  
(Print)

Title: \_\_\_\_\_

Title: (if applicable) \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

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

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

(continued)

Docket No.: 2016.09.066 (D2016.9.66), Order No. 7621a  
Commission Approved: April 29, 2019  
Tariff Letter No.: 356-E  
Agenda No.: 19-04-29

Effective for services rendered on  
after October 1, 2019

Administrative Assistant



Rule No. 20

LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

**Attachment 1**  
**(Approved Request of Prior Agreement)**

**(Intentionally Blank – Project Specific)**

(continued)



Rule No. 20

LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

**Attachment 2  
Assignment and Assumption Agreement  
Small Generator Facility Interconnection Agreement – Level 3**

This Assignment and Assumption Agreement (“Assignment”) is made and entered into by and between (“Customer-Generator”) and (“Purchaser”).

**RECITALS:**

WHEREAS, Customer-Generator owns a Small Generator Facility located at \_\_\_\_\_ (the “Property”), and operates the same pursuant to a Small Generator Facility Interconnection Agreement dated the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ (the “Agreement”) with NorthWestern Corporation, a Delaware corporation d/b/a NorthWestern Energy; and

WHEREAS, Customer-Generator desires to assign, and Purchaser desires to receive and accept, all rights and obligations under the Agreement.

**AGREEMENT:**

1. When used in this Assignment, with capitalization, the terms specified shall have the meanings indicated or specified in the Agreement.
2. **Assignment.** Customer-Generator assigns all rights and interest in the Agreement to Purchaser.
3. **Assumption.** Purchaser assumes the Agreement, acknowledges receipt of a copy thereof, and agrees to comply with the requirements set forth therein. Purchaser does not assume any liability for acts or omissions of Customer-Generator accruing prior to the effective date of this Assignment. Upon assignment of the Agreement, Purchaser shall be referred to as the “Customer-Generator”.
4. **Effective Date.** This Assignment is effective the later of: (i) Customer-Generator’s conveyance of title to the Property to Purchaser; or (ii) NorthWestern’s acknowledgment.

This Assignment may be executed in one or more counterparts, including by signature pages delivered in electronic format, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(continued)



ELECTRIC TARIFF

NorthWestern  
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LEVEL 3 SMALL GENERATOR FACILITY INTERCONNECTION AGREEMENT

**Customer-Generator:**

**Purchaser:**

Name: \_\_\_\_\_  
(Print)

Name: \_\_\_\_\_  
(Print)

Title: (if applicable): \_\_\_\_\_

Title: (if applicable): \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

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

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

Docket No.: 2016.09.066 (D2016.9.66), Order No. 7621a  
Commission Approved: April 29, 2019  
Tariff Letter No.: 356-E  
Agenda No.: 19-04-29

Effective for services rendered on and after October 1, 2019

*Sarah Jane*  
Administrative Assistant

