

Holmes-Wayne Electric Cooperative, Inc.

Insurance Requirements for Interconnection of Distributed Resources

(Excerpt from "AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF A NET METERED QUALIFYING COGENERATION OR SMALL POWER PRODUCTION FACILITY")

ARTICLE 9 – INSURANCE

9.1 Consumer shall obtain and maintain the following policies of insurance during the term of the Agreement: Comprehensive or Commercial General Liability insurance with bodily injury and property damage combined single limits of at least \$250,000 per occurrence if the Electric Generating Facility is 10 kW or less, \$1,000,000 per occurrence if the Electric Generating Facility is greater than 10 kW but less than 100 kW, and \$5,000,000 per occurrence if the Electric Generating Facility is 100 kW or greater, covering the Consumer's obligations and liabilities to the Power Company under this Agreement, including under Article 8.

9.2 Consumer shall cause its insurers or agents to provide Power Company with certificates of insurance evidencing the policies listed above prior to interconnecting the Electric Generating Facility with the Power Company Distribution System, as well as copies of each annual renewal certificate for such policies, promptly after such renewal certificates are issued. Power Company shall have the right to review the policies listed above at any time during the term of this Agreement, and Consumer shall promptly provide copies of the same to Power Company upon its request. Failure of Power Company to obtain certificates of insurance does not relieve Consumer of the insurance requirements set forth herein. Failure to obtain the insurance coverage required by this Article 9 shall in no way relieve or limit Consumer's obligations and liabilities under other provisions of this Agreement.

9.3 If Consumer is a residential customer of the Power Company, the following provisions shall apply:

(a) The insurance coverage requirements of Section 9.1 above may be satisfied by the residential Consumer obtaining and maintaining a Homeowner's Liability insurance policy, or if Homeowner's Liability insurance is not available, Comprehensive or Commercial General Liability insurance, Excess or Umbrella Liability insurance, or any other type of insurance policy that the Power Company deems acceptable, covering the residential Consumer's liabilities and obligations under this Agreement, with bodily injury and property damage combined single limits as set forth in Section 9.1; and

(b) The amounts of insurance required in Section 9.1 may be satisfied by the residential Consumer purchasing primary coverage in the amounts specified or by buying a separate excess Umbrella Liability policy together with lower limit primary underlying coverage. The structure of the coverage is the residential Consumer's option, so long as the total amount of insurance meets Power Company's requirements.

9.4 If Consumer is a commercial customer of the Power Company, the Consumer shall cause its insurers to provide Power Company with at least 10 days prior written notice of any cancellation, non-renewal or material change in the insurance policy by endorsing the policy to add the Power Company as a party with an additional interest in the policy with respect to such notice.