



Virgin Islands
Energy Office

NET ENERGY BILLING PROGRAM





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Intended to be a transitional DG market structure that **provides access to the energy saving benefits of DG to grid-connected customers**, while ensuring VIWAPA maintains cost recovery for its fixed assets across the grid.

In June 2017 the Virgin Islands Net Energy Meter Program (NEM) was closed to new applications territory-wide. At the time, the aggregate of applications received by the Department of Planning and Natural Resources (DPNR) met the statutory limit of 15-MW of installed renewable distributed generation (DG) territory-wide. The original NEM program aimed to incentivize DG by allowing excess energy production to be sold back to the Virgin Islands Water and Power Authority (VIWAPA) at the retail rate. High electricity rates and declining renewable energy technology prices resulted in a rapid adoption of NEM systems on commercial,

government, and residential properties territory-wide.

Following the NEM program closure the Virgin Islands was left with no subsequent program or policy standardize the interconnection of DG to the grid. As a result, the Virgin Islands Energy Office (VIEO) took the lead as facilitator for the NEM Successor Working Group, in collaboration with VIWAPA, PSC, and with technical assistance rendered by the US Department of Energy (DOE). The group's purpose was to develop the Net Energy Billing (NEB) Program. The NEB program is intended to enable a transitional DG market structure within the Virgin islands.

The primary goal of the NEB program is to provide access to the energy saving benefits of DG to grid-connected customers, while ensuring VIWAPA maintains cost recovery for its fixed assets across the grid. While the original NEM program provided an opportunity to establish a solar market in the U.S. Virgin Islands, the rate structure of the program provided incentives that were ultimately deemed overly generous to the consumer. As an alternative, The new NEB program will continue to allow residents to install DG resources (such as solar, battery storage, and wind) on their home or place of business. However, while the renewable energy that is produced on-site will serve to reduce the energy

costs, the excess renewable generation can be sold back to VIWAPA at an adjusted rate.

The ultimate goal of the transitional NEB program is to provide a symbiotic compromise between VIWAPA and valued rate payers while fostering sustainable DG deployment throughout the territory. This goal is achieved through the following fundamental changes from the original NEM program:

- Reduced Excess Generation Compensation
- Monthly Reconciliation
- Permitting Optimization.

Reduced Excess Generation Compensation

One of the major changes from the original NEM program to the proposed the NEB program will be the reduced excess generation compensation. Original NEM customers receive a credit, valued at the current retail rate for electricity, for excess energy that is exported to the utility. The

new program reduces the value of the excess generation from the retail rate to 75% of the current Levelized Energy Adjustment Clause. For example, at the current Levelized Energy Adjustment Clause rate of \$0.164/kWh, the excess generation credit rate will be equivalent to \$0.123/kWh per unit of excess solar generation delivered to the grid.

Monthly Reconciliation

Under the original NEM program, excess generation credits accrued monthly throughout the year, and were only zeroed out at the end of each calendar year. Under the proposed NEB program, if the monthly credit for excess generation exceeds the total billed amount for the customer's consumption, the excess credit shall be reconciled (zeroed out) at the end of the aforementioned billing period. Simply put, excess generation credits produced during a given billing period shall not accumulate and transfer to future months. Unused excess energy credits cannot be applied to offsetting the GAC, as this is an NBC that must be collected monthly. Monthly

reconciliation eliminates the rollover of excess generation credits, and as a result, promotes the right-sizing of DG systems to offset average electricity demands.

Permitting Optimization

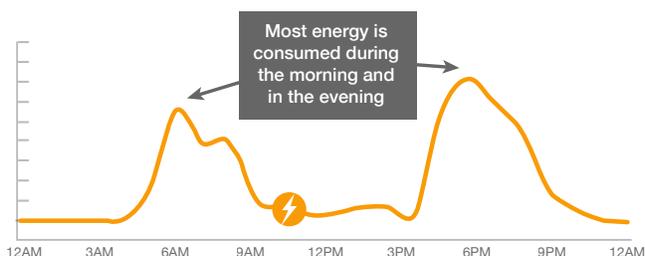
To facilitate an efficient rollout of the NEB Program, the VIEO has assumed the responsibility of developing and managing a streamlined DG permitting process. The overall goal is to simplify and expedite the permitting process for applicants, organize and manage data and documentation for VIWAPA/DPNR, and provide the community with consistent and accurate information relative to the program.



MEET THE Scotts

Sonia and Raymond and their two children, Shelley and Sonny. Both Raymond and Sonia work during the day while their children are in school. The Scotts have heard their friends talk about using solar power to save on their WAPA bills, so they have decided to research the new Net Energy Billing program to learn what benefits investing in solar can provide to their family in the Virgin Islands. This is what their profile looks like on an average day.

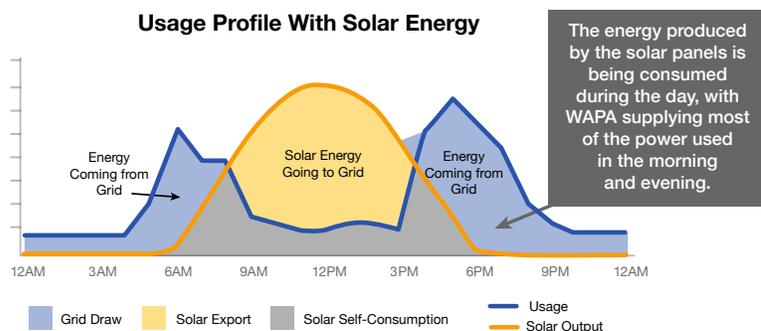
Active Electric Usage Profile on an Average Day (kWh/Hr)



An Energy Program Designed for the Scotts

The Net Energy Billing program was designed to allow homeowners like the Scotts to install a solar system on their home while remaining connected to WAPA and have the ability to sell the excess solar power that they generate for a credit on their electricity bill. When a solar system produces electricity, it first goes to the house to power whatever is running; this is called self-consumption. If the system is producing more electricity than the home needs, the rest will go back into the electric grid. This is called excess generation, and the Scotts will be credited for a portion of what

they saved the utility from having to create. So, if they pay 13¢ for the fuel it takes to produce 1 kWh of energy, then they get that 13¢ instead. This is what their consumption would look like compared to the production of a solar system over a week.

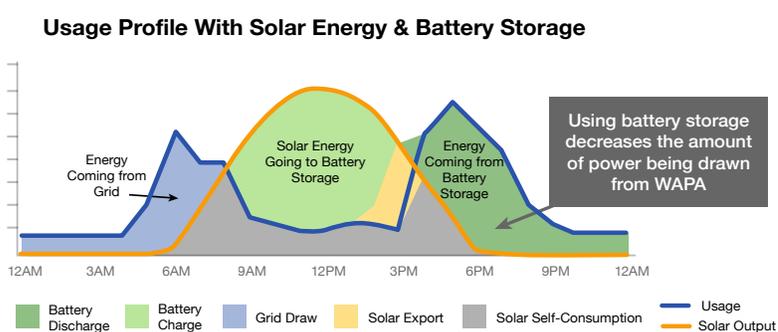


Use Battery Storage to Reduce Usage from Grid

It's most beneficial for the Scotts to try to use the kWh their solar system produces themselves, rather than selling it back to the utility. But like most people, the Scotts spend their day out of the house, and they use a lot of energy in the evenings and overnight. So how can they shift their usage to more closely match their production profile?

1. Set electric water heater timers for daytime heating;
2. Set timers to charge devices during the day;
3. If you have air conditioning, set it to come on an hour or two earlier, when the sun is still up;
4. When you can, try using your electrical appliances during the day. Do laundry and vacuum the house during the day;
5. Cook food for the whole week on weekends; and
6. Use a pressure pot instead of slow-cooking meals; it will save energy.

For some people, these tricks aren't enough, or they just won't help. Using battery storage can artificially shift your load from evening to daytime. Batteries allow you to store some of the power your solar system produces. With a battery



system, the power you use at night comes from the system first, then from your utility when the batteries are empty. This is what the Scotts' usage might look like with a battery system.

The Scotts asked their solar installer if this solar plus storage system would allow them to get a zero bill from their utility provider. The installer explained that that could not happen, no matter how big their system was. He explained why like this: Even if all month the Scotts were diligent about their energy usage and never had to pull power from the utility, they were still connected. All the lines, poles, and transformers they were attached to had been there ready to be used the moment they were needed. These physical extensions of the utility are called the transmission and distribution infrastructure. They cost money to maintain and repair, and the non-bypassable charges like the grid connection fee represent their share of that cost. For people not in the net-billing program, that cost is represented in other ways. The Scotts certainly have a lot to think about!



Workflow **SUMMARY**

The NEB applicant's packet must pass back and forth between several departments before interconnection is complete. The VIEO, VIWAPA, and DPNR all must review and approve each application in multiple stages. The VIEO acts as the relay and hub of communication between the customer, VIWAPA, and DPNR via the Net Energy Billing Permitting Portal Platform.

To initiate the application process, all applications are submitted to the VIEO through the online permitting portal. The online permitting portal can be accessed either remotely or through designated permitting stations within the VIEOs on St. Thomas and St. John. The VIEO will review the application for completeness and ensure all required documents are included. Once verified, several things happen at once. First, the application fees from both DPNR and WAPA will be assessed. Secondly, the application will be advanced to

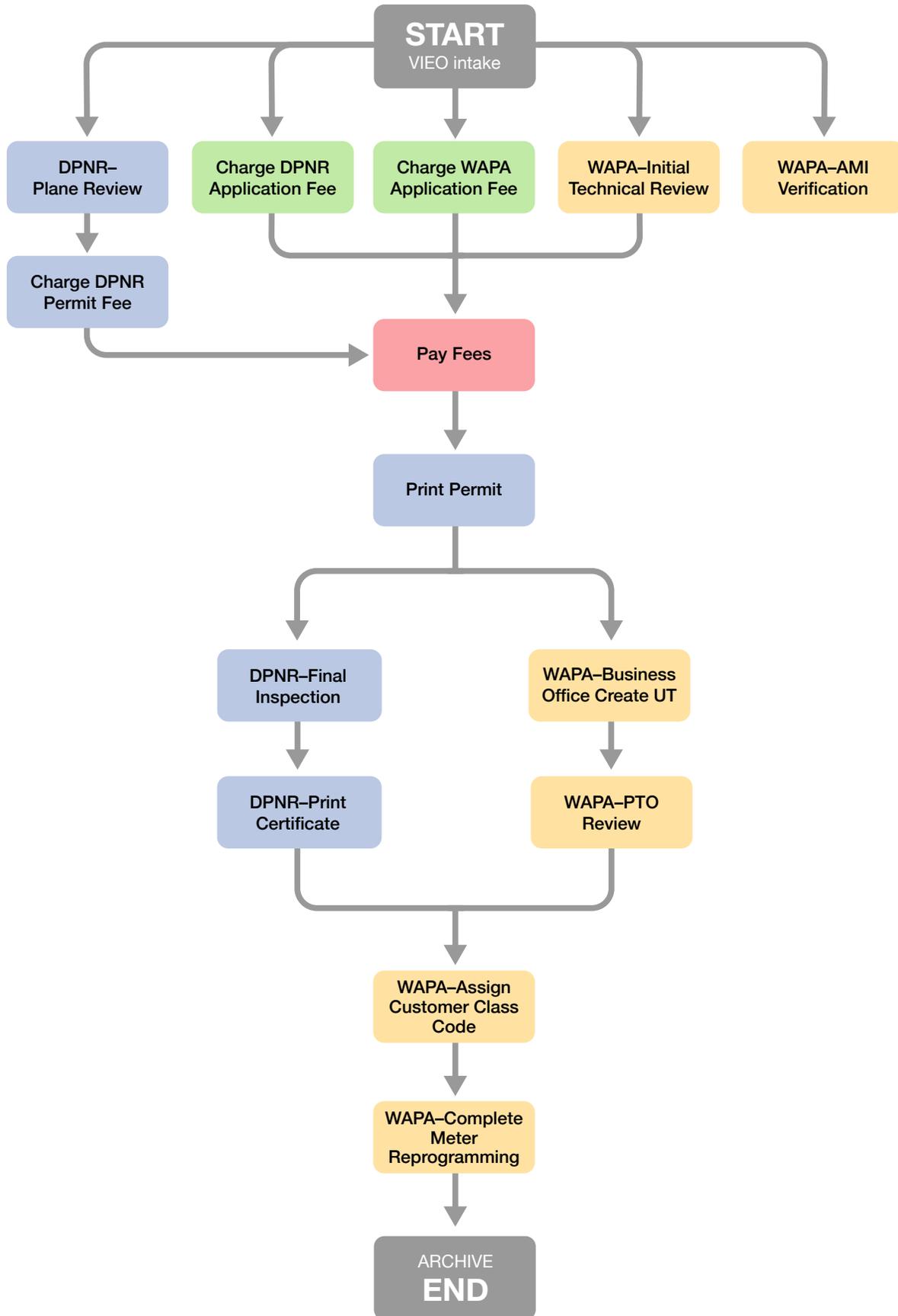
VIWAPA for a technical review, and to DPNR for a plan review.

The VIWAPA technical review comprises of a review of the scope of the installation specifications and a Hosting Capacity Analysis. After DPNR's Plan Review, the permit fees will be assessed. At this time all fees must be paid before the electrical permit will be issued. This is best done through the payment procedure on the permitting portal.

Once the fees are paid, VIWAPA will create a work order for a Permission to Operate Review. Also at this point, DPNR will issue the electrical permit. When the applicant is ready for a final inspection an appointment can be made by calling DPNR directly. Once the final inspection is passed, DPNR will issue the final Certificate of Occupancy.

The final steps in the process are for VIWAPA to assign a new customer rate class and reprogram the meter for bidirectional reading. Once finished, registration in the NEB Program is complete and this new status should appear on the customer's next bill.

NEB STANDARD PROCESS FLOW





List of Required DOCUMENTS

The following documents are required to process your application:

- NEB Interconnection Agreement (see Attachment 1)
- NEB Interconnection Study Agreement (see Attachment 2)
- Deed
- WAPA Bill
- Site plan
- Single line diagram
- Manufacturer specification sheets for all equipment.

Also, you must have your property ID number available. This can be found on the website usvi.mapgeo.io using the following directions.

1. Zoom into your district to find your home or business.
2. Select the parcel on which it sits. The boundary will be highlighted in yellow.
3. Copy the Property ID from the details pane on the left.

If you are unable to select your parcel, choose a neighboring parcel and note the discrepancy in the project description box.



Electrician Certification

FOR PREVIOUSLY INSTALLED SYSTEMS (APPIS)

During the amnesty period, new and existing unregistered systems will be able to submit an Electrician Certification

& Checklist (EC). This document, signed and sealed by the electrician of record, certifies that the system has been installed in accordance with all applicable electrical and building codes, and places the responsibility of that system on the electrician. APPIS will use a separate application and will bypass DPNR's plan review and final

inspection steps. Both the application fee and permit fees will still need to be paid, however, and both the permit and final certificate will be issued. Any applications for APPIS which have not had their final inspections can submit an EC and progress beyond that point.

The amnesty period is set to end February 1, 2022. Any ECs submitted either by email or through the portal after that date will not be accepted, and all projects will use the standard process.



Cost BREAKDOWN

The Virgin Islands Net Energy Billing (NEB) Program encompasses a complex Multi-Agency permitting process. As a result, there are a number of fees associated with the various review/inspection/reprogramming phases of the permitting process. Below is a detailed breakdown of both fixed and variable cost associated with the successful navigation of NEB permitting workflow.

Interconnection costs will vary by size, type, and location of the system. The fees are as follows:

WAPA Application and Interconnection Fee	\$250
WAPA Interconnection Supplemental Review Fee	Price Subject to Project Scope
DPNR Permit Application Fee Residential	\$20
DPNR Permit Application Fee— Commercial	\$40

Potential Prerequisite Permits/Approval

- Earth Change Permit
- Building Permit
- Historic Preservation Board Approval (Historic Buildings)
- Coastal Zone Management Permit Fee (if applicable)

For installation proposed on historic buildings approval from the Historical Preservation Board is required.

DPNR Electrical Permit Fees for Renewable Energy Systems

DPNR also charges an electrical permit fee based on installed capacity (kW DC) and battery storage (see below):

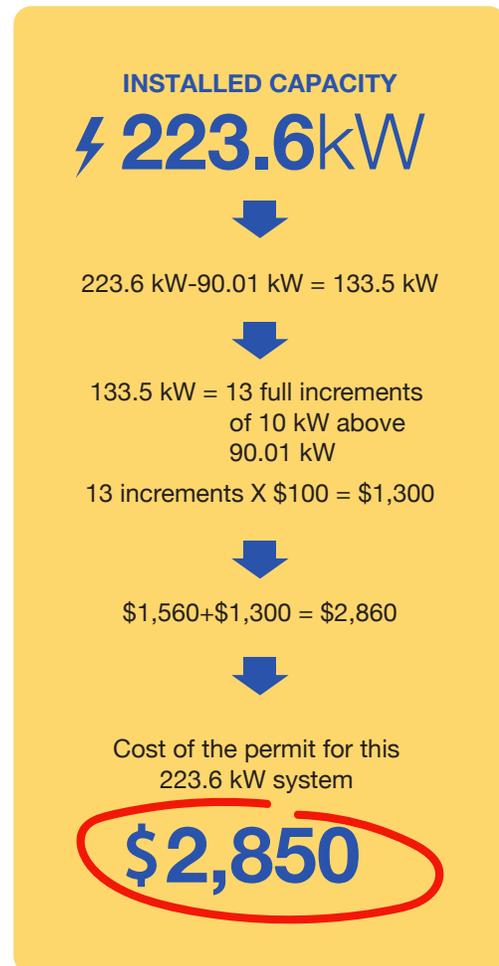
RE System Size (kW)	Grid-Tied Permit Fee (Dollar \$)	Grid-Tied w/ Bat Permit Fee (Dollar \$)	Stand Alone RE Permit Fee (Dollar \$)
0.05-1.0	130	150	130
1.01-2.0	150	170	150
2.01-3.0	170	190	170
3.01-4.0	190	210	190
4.01-5.0	210	230	210
5.01-6.0	230	250	230
6.01-7.0	250	270	250
7.01-8.0	270	290	270
8.01-9.0	290	310	290
9.01-10.0	310	330	310
10.01-11.0	360	380	360
11.01-12.0	410	430	410
12.01-13.0	460	480	460
13.01-14.0	510	530	510
14.01-15.0	560	580	560
15.01-16.0	610	630	610
16.01-17.0	660	680	660
17.01-18.0	710	730	710
18.01-19.0	760	780	760
19.01-20.0	810	830	810
20.01-30.0	860	880	860
30.01-40.0	960	980	960
40.01-50.0	1,060	1,080	1,060
60.01-70.0	1,260	1,280	1,260
70.01-80.0	1,360	1,380	1,360
80.01-90.0	1,460	1,480	1,460
90.01-100.0	1,560	1,580	1,560

(for every increment of 10 kW over 90.01 kW, add \$100 per increment to \$1,560)



HELPFUL TIP

For every increment of 10 kW over 90.01 kW, add \$100 per increment to \$1,560.



Renewable Energy Tax Incentive

The sample tax form below relates to the investment tax credit (ITC), also known as the federal solar tax credit. This credit allows you to deduct 26 percent of the cost of installing a solar energy system from your federal taxes. The ITC applies to both residential and commercial systems. Visit energy.vi.gov to download the most recent annual tax form.

Form 5695 Department of the Treasury Internal Revenue Service	Residential Energy Credits ▶ Go to www.irs.gov/Form5695 for instructions and the latest information. ▶ Attach to Form 1040, 1040-SR, or 1040-NR.	OMB No. 1545-0074 2019 Attachment Sequence No. 158
Name(s) shown on return		Your social security number
Part I Residential Energy Efficient Property Credit (See instructions before completing this part.)		
Note: Skip lines 1 through 11 if you only have a credit carryforward from 2018 .		
1 Qualified solar electric property costs	1	
2 Qualified solar water heating property costs	2	
3 Qualified small wind energy property costs	3	
4 Qualified geothermal heat pump property costs	4	
5 Add lines 1 through 4	5	
6 Multiply line 5 by 30% (0.30)	6	
7a Qualified fuel cell property. Was qualified fuel cell property installed on, or in connection with, your main home located in the United States? (See instructions) ▶	7a	<input type="checkbox"/> Yes <input type="checkbox"/> No
Caution: If you checked the "No" box, you cannot take a credit for qualified fuel cell property. Skip lines 7b through 11.		
b Print the complete address of the main home where you installed the fuel cell property.		
Number and street	Unit No.	
City, State, and ZIP code		
8 Qualified fuel cell property costs	8	
9 Multiply line 8 by 30% (0.30)	9	
10 Kilowatt capacity of property on line 8 above . . . ▶ _____ x \$1,000	10	
11 Enter the smaller of line 9 or line 10	11	
12 Credit carryforward from 2018. Enter the amount, if any, from your 2018 Form 5695, line 16	12	
13 Add lines 6, 11, and 12	13	
14 Limitation based on tax liability. Enter the amount from the Residential Energy Efficient Property Credit Limit Worksheet (see instructions)	14	
15 Residential energy efficient property credit. Enter the smaller of line 13 or line 14. Also include this amount on Schedule 3 (Form 1040 or 1040-SR), line 5; or Form 1040-NR, line 50	15	
16 Credit carryforward to 2020. If line 15 is less than line 13, subtract line 15 from line 13	16	
For Paperwork Reduction Act Notice, see your tax return instructions.		
Cat. No. 13540P		Form 5695 (2019)

ATTACHMENT 1

INTERCONNECTION AGREEMENT

This **AGREEMENT** (“Agreement”) is made and entered into this _____ day of _____ by and between _____, a _____ organized and existing under the laws of the State of _____, (“Customer”) and the US Virgin Island Water and Power Authority, existing under the laws of the U.S. Virgin Islands (“WAPA”).

WHEREAS, Customer is the owner and operator of a Generating Facility (“Facility”), as identified in its Interconnection Application and defined in Section 3 of this Agreement; and

WHEREAS, the Customer desires to interconnect the Facility and operate in parallel with WAPA's system upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the respective promises herein, WAPA and the Customer hereby agree as follows:

1. **Scope Of Agreement:** This Agreement relates solely to the conditions under which WAPA and the Customer agree that the Facility may be interconnected to and operated in parallel with WAPA’s system.
2. **Parallel Operation:** The Facility may interconnect and operate in parallel with WAPA's system in accordance with the terms and conditions of this Agreement.
3. **Facility:**
 - (a) For the purposes of this Agreement, the “Facility” is defined as the equipment and devices, and associated appurtenances, owned by the Customer, which produce electric energy for use by the Customer and are to be interconnected and operated in parallel with WAPA’s system.
 - (b) The Customer shall furnish, install, operate and maintain, at its cost, the interconnection facilities (such as circuit breakers, relays, switches, synchronizing equipment, monitoring equipment, and control and protective devices and schemes) identified in Exhibit A hereto (“Customer Interconnection Facilities”).
 - (c) The Point of Interconnection is shown on the single-line diagram and three-line diagram (provided by the Customer and reviewed by WAPA) which are attached to Exhibit A (provided that the three-line diagram is not required if the Facility’s capacity is less than 30 kW).
 - (d) The Customer agrees to test the Facility, to maintain operating records, and to follow such operating procedures, as may be specified by WAPA to protect WAPA’s system from damages resulting from the parallel operation of the Facility, including such testing, records and operating procedures as more fully described in Exhibit A attached hereto and made a part hereof.
 - (e) WAPA may inspect the Facility, as more fully described in Exhibit A .

4. Interconnection Facilities Owned by WAPA: WAPA agrees to furnish, install, operate and maintain such interconnection facilities on its side of the point of interconnection with the Facility as required for parallel operation with the Facility and as more fully described in Exhibit C attached hereto and made a part hereof (“Company Interconnection Facilities”). All such interconnection facilities shall be the property of WAPA. Where portions of WAPA interconnection facilities are located on the Customer’s premises, the Customer shall provide, at no expense to WAPA, a suitable location for and access to all such equipment. If a 120/240 Volt power source or sources are required, the Customer shall provide these at no expense to WAPA.
5. Customer Payments:
 - (a) The Customer agrees to pay to WAPA a reasonable non-refundable contribution for WAPA's investment in the interconnection facilities described in Exhibit B, subject to the terms and conditions included in Exhibit B, and to pay for other reasonable interconnection costs. The interconnection costs will not include the cost of an initial technical screening of the impact of the Facility on WAPA’s system, but will include the actual cost (or such lesser amount as WAPA may specify to facilitate the processing of interconnection requests for similarly situated facilities) of additional technical study for the Facility, if additional technical study is conducted.
 - (b) **[FOR FEDERAL GOVERNMENT ENTITIES (the “FGE”) – Replace paragraph (a) with the following:]**

The FGE agrees to pay to WAPA a reasonable non-refundable contribution for WAPA’s investment in the interconnection facilities described in Exhibit C, and to pay for other reasonable interconnection costs by means of a modification to the existing electric service contract or other contracting vehicle. The contract modification shall be executed prior to effectuating this Agreement.
6. Commencement of Producing Energy in Parallel: After this Agreement is executed, and the Customer Interconnection Facilities and WAPA interconnection facilities are completed, the Facility may be operated in parallel with WAPA's system, provided that the Customer has satisfied the conditions in Section 3 of Exhibit A of this Agreement.
7. Incidental Deliveries of Energy: WAPA shall have no duty under this Agreement to account for, pay for, deliver, or return in kind any energy produced by the Facility and delivered into WAPA’s system. The meter for service received from WAPA shall be ratcheted to prevent reverse registration.
8. Disconnection of Facility for Utility Reasons:
 - (a) Upon providing reasonable notice (generally not to be less than ten (10) business days for scheduled work), WAPA may require the Customer to temporarily disconnect the Facility from WAPA's system when necessary for WAPA to construct, install, maintain, repair, replace, remove, investigate, test or inspect any of its equipment or other customers’ equipment or any part of its system. If WAPA determines that such disconnection is necessary because of an unexpected system emergency, forced outage, operating conditions on its systems, or compliance with good engineering practices as determined by WAPA, WAPA will immediately attempt to notify the Customer or the Customer’s designated representatives in person, by telephone, by electronic mail, or by facsimile, of the need to disconnect the Facility. Unless the emergency condition requires

immediate disconnection as determined by WAPA, WAPA shall allow sufficient time for the Customer to manually disconnect the Facility.

- (b) The Facility shall not energize a de-energized utility line under any circumstances, but may operate its Facility isolated from the utility system with an open tie point.
 - (c) Following the completion of work and/or rectification of the emergency conditions by WAPA, WAPA shall reset the Customer's service breaker, if open, as soon as practicable and shall provide, within fifteen (15) business days or such other period as is mutually agreed upon in writing by WAPA and the Customer, written documentation of the occurrence and nature of WAPA's work and/or emergency condition, and of the disconnection of the Facility.
 - (d) WAPA shall take reasonable steps to minimize the number and duration of such disconnections.
 - (e) The disconnection of the Facility under this Section 8 shall not be subject to standby service charges.
 - (f) WAPA may disconnect the Customer from WAPA's system for failure by the Customer to disconnect the Facility under this Section 8, until such time that WAPA's work or the system condition has been corrected and the normal system condition has been restored.
9. Personnel and System Safety: Notwithstanding any other provisions of this Agreement, WAPA may disconnect the Facility from WAPA's system, without prior notice to the Customer, (a) to eliminate conditions that constitute a potential hazard to WAPA's personnel or the general public; (b) if pre-emergency or emergency conditions exist on WAPA system; (c) if a hazardous condition relating to the Facility is observed by WAPA's inspection; (d) if the Facility interferes with WAPA's equipment or equipment belonging to other customers of WAPA (including non-utility generating equipment); or (e) if the Customer of the Facility has tampered with any protective device. The Facility shall remain disconnected until such time as WAPA is satisfied that the endangering condition(s) as listed above has been corrected, and WAPA shall not be obligated to allow parallel operation of the Facility during such period. If WAPA disconnects the Facility under this Section 9, it shall as soon as practicable notify the Customer in person, by telephone, by electronic mail, or by facsimile and provide the reason(s) why the Facility was disconnected from WAPA's system. Following the rectification of the endangering conditions, WAPA shall provide, within fifteen (15) business days or such other period as is mutually agreed upon in writing by WAPA and the Customer, written documentation of the occurrence of the endangering conditions, and of the disconnection of the Facility. The disconnection of a customer's generating facility shall not be subject to standby service charges provided that the disconnection was caused by the utility or the utility's equipment.
10. Transmission Service Not Provided with Interconnection: Interconnection with WAPA's system under this Agreement does not provide the Customer any rights to utilize WAPA's system for the transmission or distribution of electric power.
11. Prevention of Interference: The Customer shall not operate equipment that superimposes a voltage or current upon WAPA's system that interferes with WAPA's operations, service to WAPA's customers, or WAPA's communication facilities. Such interference shall include, but not be limited to, overcurrent, voltage imbalance, and abnormal waveforms. If such interference occurs, the Customer must diligently pursue and take corrective action at its own expense after being given notice and reasonable time to do so

by WAPA. If the Customer does not take timely corrective action, or continues to operate the equipment causing interference without restriction or limit, WAPA may, without liability, disconnect the Customer's equipment from WAPA's system.

12. Location of Metering: Where Company-owned metering is located on the Customer's premises, the Customer shall provide, at no expense to WAPA, a suitable location for and access to all such metering.
13. Design Reviews and Inspections: WAPA's review and authorization to allow the Facility to interconnect and operate in parallel with WAPA's system shall not be construed as confirming or endorsing the Facility's design or as warranting the Facility's safety, durability or reliability. WAPA shall not, by reason of such review or lack of review, be responsible for the equipment, including but not limited to, the safety, strength, adequacy, durability, reliability, performance, or capacity of such equipment.
14. Permits, Approvals, and Licenses: The Customer shall obtain, at its expense, any and all authorizations, approvals, permits, and licenses required for the construction and operation of the Facility and the interconnection with WAPA's system, including but not limited to environmental permits, building permits, rights-of-way, or easements.
15. Term: This Agreement shall become effective when executed by the Customer and WAPA and shall continue in effect until terminated.
16. Termination: This Agreement may be terminated as follows: (a) the Customer may terminate this Agreement at any time, by giving WAPA at least sixty (60) days written notice, provided that the Facility is disconnected from WAPA's system and no longer operating in parallel with WAPA's system at the time this Agreement is terminated; (b) WAPA may terminate this Agreement upon failure by the Customer to generate energy from the Facility in parallel with WAPA's system within twelve (12) months after completion of the interconnection; (c) either party may terminate this Agreement by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the material terms and conditions of the Agreement, provided that the notice specifies the basis for the termination and there is a reasonable opportunity to cure the default; (d) WAPA may terminate this Agreement if the Facility is removed from permanent service; (e) WAPA and the Customer may terminate this Agreement at any time by mutual agreement provided that the agreement is in writing and signed by both parties; or (f) WAPA may terminate this Agreement by giving the Customer at least sixty (60) days prior written notice in the event that there is a material change in an applicable statute, rule or tariff.
17. Disconnection and Survival of Obligations: Upon termination of this Agreement the Facility shall be disconnected from WAPA's system. The termination of this Agreement shall not relieve the parties of their liabilities and obligations, owed or continuing at the time of the termination.
18. Indemnification:
 - (a) The Customer shall indemnify, defend and hold harmless WAPA and its officers, directors, agents and employees, from and against all liabilities, damages, losses, fines, penalties, claims, demands, suits, costs and expenses (including reasonable attorney's fees and expenses) to or by third persons, including WAPA's employees or subcontractors, for injury or death, or for injury to property, arising out of the actions or inactions of the Customer (or those of anyone under its control or on its behalf) with respect to its obligations under this Agreement, and/or arising out of the installation, operation and maintenance of the Facility and/or the Customer Interconnection Facilities, except to

the extent that such injury, death or damage is attributable to the gross negligence or intentional act or omission of WAPA or its officers, directors, agents or employees.

- (b) WAPA shall indemnify, defend and hold harmless the Customer, and its officers, directors, agents and employees, from and against all liabilities, damages, losses, fines, penalties, claims, demands, suits, costs and expenses (including reasonable attorney's fees and expenses) to or by third persons, including the Customer's employees or subcontractors, for injury or death, or for injury to property, arising out of the actions or inactions of WAPA (or those of anyone under its control or on its behalf) with respect to its obligations under this Agreement, and/or arising out of the installation, operation and maintenance of WAPA Interconnection Facilities, except to the extent that such injury, death or damage is attributable to the gross negligence or intentional act or omission of the Customer or its officers, directors, agents or employees.
- (c) Nothing in this Agreement shall create any duty to, any standard of care with reference to, or any liability to any person or entity not a party to it.
- (d) **[FOR A CUSTOMER THAT IS AN AGENCY OF USVI GOVERNMENT]**
The "Agency" shall be responsible for damages or injury caused by the "Agency's" agents, officers, and employees in the course of their employment to the extent that the "Agency's" liability for such damage or injury has been determined by a court or otherwise agreed to by the "Agency". The "Agency" shall pay for such damage and injury to the extent permitted by law. The "Agency" shall use reasonably good faith efforts to pursue any approvals that may be required to obtain the funding necessary to enable the "Agency" to perform its obligations or cover its liabilities hereunder. The "Agency" shall not request Company to indemnify the "Agency" for, or hold the "Agency" harmless from, any claims for such damages or injury.

Company shall be responsible for damages or injury caused by Company, Company's agents, officers, and employees in the course of their employment to the extent that Company's liability for such damage or injury has been determined by a court or otherwise agreed to by Company, and Company shall pay for such damage and injury to the extent permitted by law. Company shall not request the "Agency" to indemnify Company for, or hold Company harmless from, any claims for such damages or injury.

- (e) **[FOR A CUSTOMER THAT IS AN AGENCY OF THE FEDERAL GOVERNMENT (the "FGE") – delete paragraphs (a) through (d) and replace with the following:]**

Neither party hereto shall be responsible for loss or damage to the property of the other party or property of others, or for death or for personal injuries to the other party's officers, agents, servants, or employees, or to other persons, arising from or related to (a) WAPA's initiation of a service interruption under this contract and /or (b) the FGE's electric service being disconnected or reconnected by WAPA and/or FGE pursuant to this contract and/or (c) the parallel operation of the systems of the parties hereto or incident to the use, operation, or maintenance with respect to the furnishing of service hereunder, except for such loss, damage, death or injuries caused by the FGE for which it may be liable under the Federal Tort Claims Act and in the case of WAPA as may be caused by the negligence, wrongful act or omission of WAPA, its agents, servants or employees; nor, except for matters for which it may be liable under the Federal Tort Claims Act, shall the FGE be responsible in any way for any damage or loss of profit suffered by WAPA arising from or incident to such use, operation or maintenance.

19. Insurance:

- (a) The Customer shall, at its own expense and during the term of the Agreement and any other time that the Facility is interconnected with WAPA's system, either (a) maintain in effect with a responsible insurance company authorized to do insurance business in the United States Virgin Islands, insurance that will adequately protect the Customer and WAPA with respect to risks arising under this Agreement, including the Facility's interconnection with WAPA's system, provided the forms, amounts and conditions of such insurance coverage shall be as specified in Exhibit C hereto, or (b) self-insure, in lieu of obtaining insurance coverage from an insurance company, provided the terms of such self-insurance shall be as specified in Exhibit C hereto. Customer is responsible for determining its own level and form of insurance. The Customer's indemnity and other obligations shall not be limited by this provision. Any deductible shall be the responsibility of the Customer. In the event Customer obtains insurance from an insurance company, proof of such insurance, including certificates of insurance showing the form and amounts of coverage, must be provided to WAPA prior to any parallel interconnection. In the event Customer self-insures, documentation describing the Customer's means and capability of self-insuring must be provided to WAPA prior to any parallel interconnection.
- (b) **[FOR A CUSTOMER THAT IS AN AGENCY OF THE FEDERAL GOVERNMENT (the "FGE") – delete paragraph (a) and insert the following:]**

The Customer is considered to be self-insured for the purpose of this agreement and shall not be required to maintain any separate policy of insurance under this section of the agreement. Notwithstanding the above, this shall in no event waive or otherwise release or limit the Customer's liabilities undertaken pursuant to this agreement. WAPA agrees to maintain general liability insurance or self-insurance consistent with WAPA's commercial practice. Such insurance or self-insurance shall not exclude coverage for WAPA's liabilities undertaken pursuant to this agreement. The parties to this agreement further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

20. Force Majeure: For purposes of this Agreement, "Force Majeure Event" means any event: (a) that is beyond the reasonable control of the affected party; and (b) that the affected party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a party from fulfilling any obligations under this Agreement, such party will promptly notify the other party in writing, and will keep the other party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected party is taking to mitigate the effects of the event on its performance. The affected party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement, but only to the extent that the effect of the Force Majeure Event cannot be mitigated

by the use of reasonable efforts. The affected party will use reasonable efforts to resume its performance as soon as possible.

21. Warranties: WAPA and the Customer each represents and warrants respectively that:

- (a) It has all necessary right, power and authority to execute, deliver and perform this Agreement.
- (b) The execution, delivery and performance of this Agreement by it will not result in a violation of any law or regulation of any governmental authority, or conflict with, or result in a breach of, or cause a default under, any agreement or instrument to which such party is also a party or by which it is bound.

22. Good Engineering Practice:

- (a) Each party agrees to install, operate and maintain its respective equipment and facilities and to perform all obligations required to be performed by such party under this Agreement in accordance with good engineering practice in the electric industry and with applicable laws, rules, orders and tariffs.
- (b) Wherever in this Agreement and the attached Exhibits WAPA has the right to give specifications, determinations or approvals, such specifications, determinations or approvals shall be given in accordance with WAPA's standard practices, policies and procedures, which may includes IEEE Guides and Standards for Protective Relaying Systems.

23. Miscellaneous:

- (a) Amendments. Any amendment or modification of this Agreement or any part hereof shall not be valid unless in writing and signed by the parties. Any waiver hereunder shall not be valid unless in writing and signed by the party against whom waiver is asserted.
- (b) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives, and permitted assigns.
- (c) Notices. Any written notice provided hereunder shall be delivered personally or sent by registered or certified first class mail, with postage prepaid, to the other party at the following addresses:

Company: _____

Attn: _____

Customer: The mailing address listed the Interconnection Application.

Notice sent by mail shall be deemed to have been given on the date of actual delivery or at the expiration of the fifth day after the date of mailing, whichever is earlier. Any party hereto may change its address for written notice by giving written notice of such change to the other party hereto.

- (d) Effect of Section and Exhibit Headings. The headings or titles of the several sections and exhibits hereof are for convenience of reference and shall not affect the construction or interpretation of any provision of this Agreement.
- (e) Relationship of Parties. Nothing in this Agreement shall be deemed to constitute any party hereto as partner, agent or representative of the other party or to create any fiduciary relationship between the parties.
- (f) Entire Agreement. This Agreement constitutes the entire understanding and agreement between WAPA and the Customer.
- (g) Limitations. Nothing in this Agreement shall limit WAPA's ability to exercise its rights or expand or diminish its liability with respect to the provision of electrical service pursuant to WAPA's Tariff as filed with the Virgin Islands Public Services Commission ("Commission").
- (h) Governing Law and Regulatory Authority. This Agreement was executed in the United States Virgin Islands and must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof. This Agreement is subject to, and the parties' obligations hereunder include, operating in full compliance with all valid, applicable federal, territorial, and local laws or ordinances, and all applicable rules, regulations, orders of, and tariffs approved by, duly constituted regulatory authorities having jurisdiction.
- (i) Multiple Counterparts. 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.

IN WITNESS WHEREOF, WAPA and the Customer have executed this Agreement as of the day and year first above written.

By _____
 Name
 Title
 Date

By _____
 Name
 Title
 Date

By _____
 Name
 Title
 Date

"Company"

"Customer"

ATTACHMENT 2

INTERCONNECTION STUDY AGREEMENT

This **AGREEMENT** (“Agreement”) is made and entered into this _____ day of _____ by and between _____, a _____ organized and existing under the laws of the State of _____, (“Customer”) and the US Virgin Island Water and Power Authority, existing under the laws of the U.S. Virgin Islands (“WAPA”). Customer and WAPA each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Customer is proposing to develop a Generating Facility as provided in its Interconnection Application to WAPA, dated _____, 20__ (the “Application”), and

WHEREAS, Customer desires to interconnect the Generating Facility with WAPA’s Distribution System; and

WHEREAS, WAPA has determined that an Interconnection Requirements Study is necessary to assess the proposed interconnection of Customer’s proposed Generating Facility to WAPA’s Distribution System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1. When used in this Agreement, capitalized terms shall have the meanings indicated. Capitalized terms that are not defined in this Agreement shall have the meanings specified in WAPA’s Interconnection Procedures.
2. Customer elects and WAPA shall cause to be performed a Interconnection Requirements Study consistent with the Interconnection Procedures.
3. The scope of the Interconnection Requirements Study shall be based on information supplied in the Interconnection Application and the results of Initial Review and Supplemental Review.
4. WAPA reserves the right to request additional technical information from Customer as may reasonably become necessary consistent with good engineering and operating practices during the course of the Interconnection Requirements Study. If after signing this Agreement, Customer (with WAPA’s consent) modifies its Interconnection Application or any of the information or assumptions provided to WAPA, the time to complete the Interconnection Requirements Study may be extended by agreement of the Parties.
5. In performing the Interconnection Requirements Study, WAPA may rely, to the extent reasonably practicable, on existing studies of recent vintage. Customer will not be charged for such existing studies; however, Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the Interconnection Requirements Study.
6. WAPA may require a study deposit of the greater of fifty (50) percent of estimated non-binding good faith study costs or \$10,000.
7. The Interconnection Requirements Study shall be completed and the results shall be transmitted to Customer [within one-hundred fifty (150) calendar days] after this Agreement is signed by the Parties.

- 8. Study fees shall be based on actual costs and will be invoiced to Customer after the study is transmitted to Customer.
- 9. Customer shall pay any actual study costs that exceed the deposit within thirty (30) days of receipt of the invoice. WAPA shall refund any excess amount without interest within thirty (30) Days of the invoice.

In witness whereof, the Parties have caused this agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

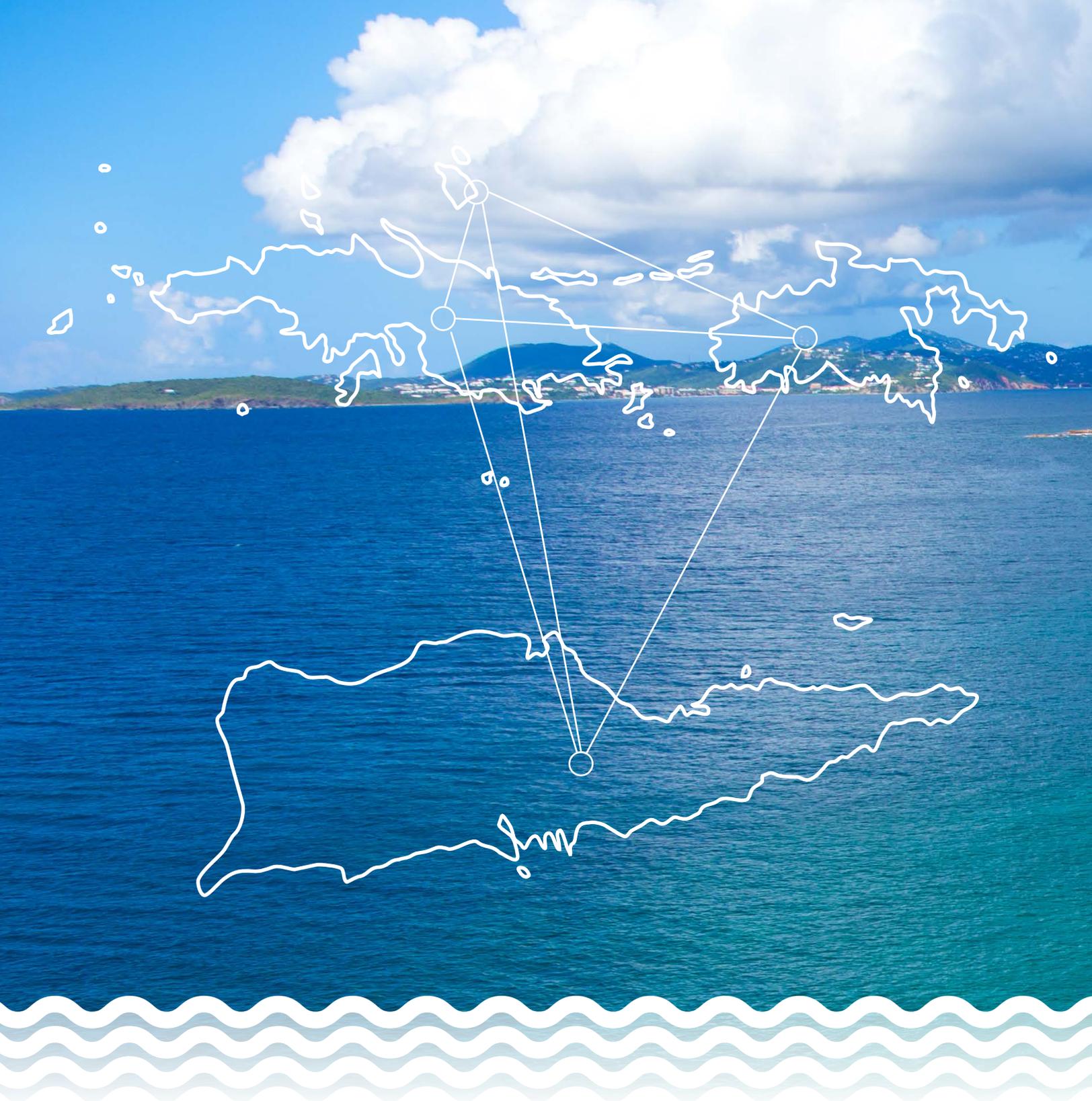
For WAPA

Signature: _____ Date: _____
Name (printed): _____
Title: _____

For Customer

Signature: _____ Date: _____
Name (printed): _____
Title: _____

Are attachments included to supplement or modify information contained in the Bid?
_____ Yes _____ No



Government of the United States Virgin Islands

Virgin Islands Energy Office
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