

**Attachment 6: System Impact Study Agreement**

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_  
20\_\_ by and between \_\_\_\_\_,  
a \_\_\_\_\_ organized and existing under the laws of the State of  
\_\_\_\_\_, (“Interconnection Customer”), and  
\_\_\_\_\_, a \_\_\_\_\_ existing under the  
laws of the State of Minnesota, (“Area EPS Operator” or “Minnesota Power”). Interconnection  
Customer and Minnesota Power each may be referred to as a “Party,” or collectively as the  
“Parties.”

**RECITALS**

**WHEREAS**, the Interconnection Customer is proposing to develop a Distributed Energy  
Resource (DER) or generating capacity addition to an existing DER consistent with the  
Interconnection Application completed by the Interconnection Customer  
on \_\_\_\_\_; and

**WHEREAS**, the Interconnection Customer desires to interconnect the DER with Minnesota  
Power’s electric system;

**WHEREAS**, the Interconnection Customer has requested Minnesota Power to perform a system  
impact study(s) to assess the impact of interconnecting the DER with Minnesota Power’s electric  
System, and potential Affected System(s);

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have  
the meanings indicated or the meanings specified in the standard Minnesota Distributed  
Energy Resources Interconnection Procedures (MN DIP.)
- 2.0 The Interconnection Customer elects and Minnesota Power shall cause to be performed a  
system impact study(s) consistent with the MN DIP. The scope of a system impact study  
shall be subject to the assumptions set forth in this Agreement; including **Attachment A**.
- 3.0 A system impact study will be based upon the technical information provided by  
Interconnection Customer in the Interconnection Application. Minnesota Power reserves  
the right to request additional technical information from the Interconnection Customer  
as may reasonably become necessary consistent with Good Utility Practice during the  
course of the system impact study.

- 4.0 A system impact study may, as necessary, consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. A system impact study shall provide a list of facilities that are required as a result of the Interconnection Application and non-binding good faith estimates of cost responsibility and time to construct.
- 5.0 A distribution system impact study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.
- 6.0 Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems.
- 7.0 If Minnesota Power uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all Distributed Energy Resources (and with respect to paragraph 7.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced \_
- 7.1. Are directly interconnected with Minnesota Power's electric system; or
- 7.2. Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and
- 7.3. Have a pending higher queued Interconnection Application to interconnect with Minnesota Power's electric system.
- 8.0 A deposit of the equivalent of the good faith estimated cost of a distribution system impact study and the good faith estimated cost of a transmission system impact study shall be required from the Interconnection Customer when the signed Agreement is provided to Minnesota Power.
- 9.0 Any study fees shall be based on Minnesota Power's actual costs and will be invoiced to the Interconnection Customer within 20 Business Days after the study is completed and delivered and will include a summary of professional time.

10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 20 Business Days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, Minnesota Power shall refund such excess within 20 Business Days of the invoice without interest.

11.0 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of Minnesota. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.0 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

13.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

14.0 Waivers

14.1. 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.

14.2. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from Minnesota Power. Any waiver of this Agreement shall, if requested, be provided in writing.

15.0 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. Electronic signatures are acceptable if Minnesota Power has made such a determination pursuant to MN DIP 1.2.1.1.

## 16.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

## 17.0 Severability

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, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

## 18.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

18.1. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Minnesota Power be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

18.2. The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

## 19.0 Inclusion of Minnesota Power Tariffs and Rules

The interconnection services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the tariff schedules and rules applicable to the

electric service provided by Minnesota Power, which tariff schedules and rules are hereby incorporated into this Agreement by this reference. Notwithstanding any other provisions of this Agreement, Minnesota Power shall have the right to unilaterally file with the Minnesota Public Utilities Commission, pursuant to the Commission's rules and regulations, an application for change in rates, charges, classification, service, tariff, or rule or any agreement relating thereto. The Interconnection Customer shall also have the right to unilaterally file with the Minnesota Public Utilities Commission, pursuant to the Commission's rules and regulations, an application for change in rates, charges, classification, service, tariff, or rule or any agreement relating thereto. Each Party shall be have the right to protest any such filing by the other Party and/or to participate fully in any proceeding before the Minnesota Public Utilities Commission in which such modifications may be considered, pursuant to the Commission's rules and regulations.

**IN WITNESS THEREOF**, 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.

[Minnesota Power ] [Insert name of Interconnection Customer]

\_\_\_\_\_  
Signed: \_\_\_\_\_ Signed: \_\_\_\_\_

Name (Printed): \_\_\_\_\_ Name (Printed): \_\_\_\_\_

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

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

**Attachment 6: System Impact Study Agreement (cont'd)**

**Attachment A**

**Assumptions Used in Conducting the System Impact Study**

The system impact study shall be based upon the following assumptions:

- 1) Designation of Point of Common Coupling and configuration to be studied.
- 2) Designation of alternative Points of DER Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and Minnesota Power. Minnesota Power shall use the Reference Point for Applicability which is either the Point of Common Coupling or the Point(s) of DER Interconnection as described in IEEE 1547.

**Additional DER technical data required for System Impact Study**

If applicable, Minnesota Power shall list below any additional technical data that is required to adequately perform the System Impact Study. As indicated in MN DIP section 4.3.3, this information is to be returned with the signed system impact study agreement and deposit.