



## **LIABILITY INSURANCE REQUIREMENTS FOR INTERCONNECTION CUSTOMERS**

In accordance with the Colorado Public Utilities Commission Electric Rule 723-3 Section 3667 (e) XI, any Interconnection Customer (customer) shall comply with the following insurance requirements. Insurance is required to protect the public and Empire Electric Association, Inc. (EEA) from damage attributable to a customer.

For systems of ten kW or less, the customer, at its own expense, shall secure and maintain in effect during the term of the agreement liability insurance with a combined single limit for bodily injury and property damage of not less than \$300,000 for each occurrence. For systems above ten kW and up to 500 kW, customer, at its own expense, shall secure and maintain in effect during the term of the agreement liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 for each occurrence. For systems above 500 kW and up to two MW, customer, at its own expense, shall secure and maintain in effect during the term of the agreement liability insurance with a combined single limit for bodily injury and property damage of not less than \$2,000,000 for each occurrence. Insurance coverage for systems greater than two MW shall be determined on a case-by-case basis by the utility and shall reflect the size of the installation and the potential for system damage.

For systems over 500 kW, the utility shall be named as an additional insured by endorsement to the insurance policy and the policy shall provide that written notice be given to the utility at least 30 days prior to any cancellation or reduction of any coverage. Such liability insurance shall provide, by endorsement to the policy, that the utility shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for the payment of premium of such insurance. For all solar systems, the liability insurance shall not exclude coverage for any incident related to the subject generator or its operation.

Certificates of Insurance evidencing the requisite coverage and provision(s) shall be furnished to EEA prior to the date of interconnection of the generation system. EEA shall be permitted to periodically obtain proof of current insurance coverage from the generating customer in order to verify proper liability insurance coverage. Customer will not be allowed to commence or continue interconnected operations unless evidence is provided that satisfactory insurance coverage is in effect at all times.

The cost of the required insurance may be a factor in a customer's decision to become a generator and, if so, whether to sell its power to EEA or produce solely for its own use. EEA recommends that the customer consult its insurance agent at an early state in its planning so that this cost may be properly incorporated into that planning.

### **No Warranty**

Any inspections, reviews of plans, specifications and/or sites and any approvals, written or oral, are conducted or provided solely for the use and purposes of EEA; EEA makes no warranty, direct or indirect, and provides no assurances, direct or indirect, as to the adequacy or safety of any plans, specifications, sites, installations or other characteristics of the customer. The owners of the generation facility are solely responsible for determining and ensuring the adequacy and safety of all plans, specifications, sites, installations and other characteristics of the generator.