

ADAMS ELECTRIC COOPERATIVE

Policy Bulletin No. 36

SUBJECT: Interconnection and Parallel Operation of Distributed Generation Qualifying Facilities & NET Metering Facilities

I. OBJECTIVE

To define the process for Interconnection with and Parallel Operation of Distributed Electricity Generation Facilities on the electrical system of the Cooperative.

II. SCOPE AND APPLICABILITY

This policy applies to Distributed Electricity Generation Facilities (DEGF) designed for Parallel Operation. This policy is administered in concert with policies of the Cooperative pertaining to Interconnection of and Service to Qualifying Facilities under Public Utility Regulatory Policies Act (PURPA) (Operating Policy No. 41). This policy does not apply to generation operated in isolation, as is the case for emergency standby generators.

DEFINITIONS FOR PURPOSES OF THIS POLICY

“Cooperative” means the electric distribution Cooperative owning and operating the power lines delivering electrical power and energy to the premises of its consumer members within a defined geographic service territory.

“Requestor” means the member consumer or entity making an Interconnection Request.

“Distributed Electricity Generation Facilities (DEGF)” means a generating facility, having a Nameplate Rating greater than 10 kilowatts, but not exceeding 100 kilowatts, of alternating current (AC) capacity, and is a Qualifying Facility (QF) as defined in the policies of the Cooperative pertaining to Interconnection of and Service to Qualifying Facilities under Public Utility Regulatory Policies Act (PURPA) (Operating Policy No. 41).

- A. Generating facilities: 0-10 KW (NET Metered Facilities) are required to follow this interconnection policy (Section IV. A, B, K, L, N, P and Section V.)

B. Generating facilities: Exceeds 100KW will be a joint effort between the Cooperative and Prairie Power Inc.

“Nameplate Rating” means the maximum electrical energy production capability of the Distributed Electricity Generation Facilities, specified in kilowatts of alternating current, as stated on the nameplates or in the manufacture’s specifications.

“MISO” means the Midcontinent Independent System Operator.

“Parallel Operation” means AC electrical generation operated in electrical synchronism with the voltage and frequency of the grid in a manner consistent with applicable electrical codes and standards, and in accordance with good utility practice.

“Interconnection / Interconnect” means the physical electrical connection interface between two electrical systems owned by different parties.

“Member” means a consumer member of the Cooperative, and provided electrical power and energy by the Cooperative through a retail service meter.

“Interconnection Request” is comprised of the following four items: (a) the form attached hereto as Attachment A - Distributed Electric Generating Facilities General Description and Electrical Characteristics; (b) a fully executed Member Interconnection Application in the form of Attachment B; (c) the form attached hereto as Attachment C - an original signed copy of the Owner Certification of Qualifying Facility Under Public Utility Regulatory Policies Act (PURPA); and (d) remittance to the Cooperative a non-refundable application fee. A Member Interconnection Application is not deemed active until the Member Interconnection Application has been date and time stamped indicating entry into the queue.

“Queue Date” the date and time corresponding to when the Cooperative deems an Interconnection Request complete and subsequently enters the queue for analysis.

III. APPLICABILITY

This policy applies to Qualifying Facilities having demonstrated to the satisfaction of the Cooperative the following characteristics:

- A. A Nameplate Rating of equal to or less than 100 kW;
- B. Are not subject to the Interconnection requirements of MISO;
- C. Are designed for Parallel Operation; and
- D. Meet all applicable electrical codes and standards.

IV. INTERCONNECTION REQUESTS

- A. Members or other entities seeking to Interconnect DEGFs shall submit to the Cooperative an Interconnection Request. (Attachment A)
- B. The Interconnection Request will be reviewed by the Cooperative for completeness. Once deemed by the Cooperative to be complete, the Member Interconnection Application is to be executed. At that time, the fee associated with the Member Interconnection Application is remitted to the Cooperative. The Interconnection Request shall be date and time stamped by the Cooperative to indicate placement into the queue. A date and time stamped copy of the Interconnection Request shall be provided to the Member or entity initiating the Interconnection Request
- C. Interconnection Requests shall be evaluated for their impact on the electrical system of the Cooperative in the order of the Queue Date.
- D. Within 30 business days of the Queue Date, the Cooperative shall analyze the Interconnection of the generation facility regarding interaction with and effect upon the electrical system of the Cooperative. In doing so, the Cooperative will determine and specify any enhancements to the electric system of the Cooperative necessary to accommodate the Interconnection of the DEGF.
- E. Within 35 business days of the Queue Date, the Cooperative in its sole judgement will determine if there is a likelihood of material electrical impact to third-party utility electrical systems. If judged affirmatively, the Cooperative will notify the Requestor of the Cooperative's obligation to notify the third-party utility, and the right of the third-party utility to require their own analyses of impacts. The Cooperative will arrange for discussions with the third-party utility as required. The Requestor will be responsible for all costs related to the third-party utility analyses, and will be required to arrange for any required payments to the third-party utility. In the event a third-party utility analysis is necessary, the subsequent schedule as depicted in this Section IV, "F." through "Q.", will be adjusted day-for-day as it corresponds to the completion of the third-party utility analyses.
- F. Within 40 business days of the Queue Date, the Cooperative shall communicate in writing to the Requestor any added electrical elements, improvements, enhancements, systems, or other consequential additions, changes, or operational restrictions to the Cooperative electrical system necessary to accommodate the Interconnection. A commensurate budgetary estimate shall be prepared by the Cooperative at this same time. The Cooperative shall formally notify the Requestor in writing of this budgetary

estimate and shall clearly state the Cooperative plans no further action at this time pending the execution of an Interconnection Construction Agreement.

- G. Within 40 business days of the Queue Date, provided the Cooperative will incur no costs associated with the Interconnection, the Requestor shall be notified in writing whether the Interconnection Request has been approved by the Cooperative.
- H. Within 60 business days of the Queue Date, provided there are costs to be incurred by the Cooperative to facilitate the Interconnection, the Requestor shall execute an Interconnection Construction Agreement in the form of Attachment D and place on deposit with the Cooperative an amount equal to 115% of the budgetary cost estimated for the Interconnection. Upon completion of the Interconnection related work, any unused funds shall be remitted to the Requestor along with an accounting of the costs incurred. It shall be the responsibility of the Requestor to pay the full and total cost of the Interconnection even if such amount is in excess of the deposit(s). As the Interconnection work progresses, should the actual costs be then forecast to exceed 115% of the full budgetary estimate on deposit with the Cooperative, the Cooperative shall request additional funds to be placed on deposit with the Cooperative. Failure by the Requestor to do so in the timeframe specified by the Cooperative may, based on the sole judgement of the Cooperative, result in the Cooperative temporarily ceasing all work on the Interconnection.
- I. Failure by the Requestor to place funds on deposit with the Cooperative in the timeframe specified plus an additional 30 days shall result in the Interconnection Request being cancelled and voided. A desire to renew the Interconnection Request later will be treated as an entirely new Interconnection Request.
- J. The third-party utility analysis may conclude added electrical elements, improvements, enhancements, systems, or other consequential third-party electric system additions, changes, or operational restrictions are necessary to accommodate the Interconnection. Arrangements with the third-party utility for payment of any related costs are the responsibility of the Requestor. The Cooperative will coordinate activities with the parties to the best of their ability, but explicitly does not warrant the process or outcome.
- K. At the sole discretion for the Cooperative, the Cooperative shall provide the Requestor with certain requirements and related specifications pertaining to the design and construction of the Interconnection as it regards the work required of the Requestor. Such specifications may include required electrical protection schemes, voltage coordination arrangements, or any other considerations in keeping with good utility practice including, but not

limited to *IEEE Standard 1547-2003 - Standard for Interconnecting Distributed Resources with Electric Power Systems, IEEE Standard 1547.1a-2015 - IEEE Standard Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems - Amendment 1 and UL 1741 Standard for Inverters, Converters, Controllers and Interconnection System Equipment for Use With Distributed Energy Resources.*

- L. The Interconnection work on behalf of the Cooperative shall be completed in keeping with the normal and conventional work practices, hours, and priorities of the Cooperative. The Cooperative will not warrant a completion date.
- M. The Cooperative will notify the Requestor in writing of completion of the Interconnection work undertaken by the Cooperative. Notice of completion is not an authorization for energization of the DEGF or the Interconnection by the Requestor.
- N. The Requestor shall formally notify the Cooperative in writing of completion of the Interconnection work required of the Requestor. The main electrical disconnect controlling the electrical interfacing of the generation with the electrical system of the Cooperative shall remain open and locked. At this time, the Requestor shall provide the Cooperative with a certificate of insurance in the amount required in this Policy.
- O. Provided a third-party utility required certain work to be done to facilitate the Interconnection, the Requestor is responsible for obtaining a Certificate of Completion from the third-party utility. The main electrical disconnect controlling the electric interfacing of the generation with the electrical system of the Cooperative shall remain opened and locked pending the receipt of the Certificate of Completion from the third-party utility.
- P. Subsequent to the Cooperative notifying the Requestor in writing of completion of the Interconnection work undertaken by the Cooperative, and within 10 business days of receipt of notice by the Cooperative of completion of Interconnection work by the Requestor and the third-party utility, if applicable, the Cooperative at its sole discretion may inspect the work of the Requestor at the point of the Interconnection. Upon satisfaction of the Cooperative, the Requestor shall execute an Agreement for Interconnection and Parallel Operation of Distributed Generation in the form of Attachment E. Subsequent to the execution of the Agreement for Interconnection and Parallel Operation of Distributed Generation and provided the required certificate of insurance has been provided by the Requestor, the Cooperative shall issue the Requestor in writing a formal Authorization to Energize in the form of Attachment F. Absent the Authorization to Energize, the main electrical disconnect controlling the

electrical interfacing of the generation with the electrical system of the Cooperative shall remain open and locked.

- Q. Any remuneration due either party as a direct result of the ongoing operations of the generation shall be as specified in the policies of the Cooperative regarding Interconnection of and Service to Qualifying Facilities under Public Utility Regulatory Policies Act (PURPA) (Operating Policy No. 41).

V. EXPEDITED REVIEW

- A. Requestor shall carry liability insurance issued by a licensed insurance carrier with an A. M. Best rating of B+ or better that provides protection against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of the Member's ownership and/or operation of the distributed generation facility under this policy. The limits of such insurance policy shall be a minimum of \$1,000,000 per occurrence and shall provide for a minimum 30-day notice of cancellation. The Requestor shall provide a certificate of insurance to the Cooperative annually, on the first business day of the year, or upon demand by the Cooperative.
- B. The Cooperative shall have free and unencumbered access to the DEGF, Interconnection, associated equipment, and the Member's premises at all times for any reasonable purpose in connection with this policy.
- C. The Member shall not energize the Cooperative's system during any period of electricity service interruption. The Member's equipment must contain a disconnect device to which the Cooperative has access and which the Cooperative can lock in an open position to disconnect, for safety reasons, the Member's electric generating facility from the Cooperative's electric delivery system.
- D. Electric generation facilities may be disconnected by the Cooperative from its system whenever, in the sole opinion of the Cooperative, such action is required by an emergency, for reasons of personal or public safety, or it is believed in the sole judgement of the Cooperative the generation facility is causing an adverse impact on quality of electricity service. The Cooperative shall strive to provide reasonable notice to the Member prior to disconnection of the facility if possible, but is under no obligation to do so.
- E. The DEGF shall be subject to the Cooperative's requirements for maintaining voltage standards, the production of reactive power, phasing, and frequency.

- F. The Member shall pay all costs of the Interconnection including initial and future transmission, distribution, metering, service, and other facilities costs necessary to permit Parallel Operations with the Cooperative.

- G. Any auxiliary or reserve power service required by the Member must be arranged in accordance with the terms of the Cooperative's applicable policies and rates as modified from time to time.

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