

POLICY BULLETIN NO. 113D

SUBJECT:

QUALIFYING FACILITIES* Interconnection: Output wheeled through Lower Yellowstone REC from 50 kW to 150 kW.

OBJECTIVE:

Policy for cooperative interconnection for small power producers and co-generators (qualifying facilities) from 50 kW to 150 kW in compliance with the Public Utility Regulatory Policies Act (PURPA) of 1978. Qualifying Facilities over 150 kW shall be dealt with on an individual basis.

AVAILABILITY AND REQUIREMENTS:

When a member desires to generate electricity and interconnect to the cooperative's grid the following requirements must be met:

1. Complete and sign applications and an interconnection agreement with the cooperative that outlines specific terms, agreements and issues such as safety, insurance, responsibilities, charges, power quality and other pertinent issues.
2. Generation source may be renewable including but not limited to wind, solar, geothermal, hydro or fuel cells (if powered from a renewable source).
3. The generation must meet the definition of "Qualifying Facility" (QF) as defined in the Public Utilities Regulatory Policy Act of 1978 (PURPA) and provided PURPA continues to be enforceable under federal law.

POLICY:

Output Wheeled Through the Cooperative

Members desiring to wheel their member-owned generation meeting PURPA's definition of "qualifying facilities" across the cooperative's distribution/transmission system shall meet the following guidelines:

- Name plate generating capacity shall not exceed 150 kW.
- The cooperative will not purchase power produced by the member.
- The generation may be stand-alone or may provide part or all of the member's own electrical requirements at the service.
- Metering shall be required that is capable of measuring flow in both directions, with energy and capacity measured consistent with the requirements of the affected systems.
- The generator will be required to obtain capacity rights from all systems affected and is directly responsible for payment of associated charges.
- Charges for power delivered by the cooperative shall be billed monthly at the appropriate rate.
- Payment for energy delivered by the member generator through the cooperative system is not the responsibility of the cooperative.



**LOWER YELLOWSTONE
RURAL ELECTRIC COOPERATIVE**

Your Touchstone Energy® Cooperative 

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- Charges from the cooperative to the generator for wheeling shall be based on pro forma tariffs including a rate of return. Payment of those charges is the responsibility of the generator.
- The generator will be required to sign an interconnection and operating agreement with the cooperative.
- The cooperative shall not be held responsible for damages in the event the cooperative is unable to perform wheeling.
- Impacts on the cooperative's purchases of wholesale power shall be addressed including but not limited to:
 - Costs of capacity (demand)
 - Cost of imbalance
 - Cost of scheduling
 - Cost of voltage regulation
 - Cost of other ancillary services if impacted
 - Those transmission costs billed on a capacity basis
- An advance payment for engineering assessments will be required.
- The generator will be required to pay all reasonable costs incurred by the cooperative prior to interconnection for upgrades to the cooperative's system that are needed to maintain the power quality and system integrity.
- All policies and agreements need to be consistent and in coordination with all requirement contracts.

*A qualifying facility "QF" is generally defined as generation utilizing a renewable source or from cogeneration when energy that would otherwise be wasted is harnessed to generate electricity. QF is specifically defined by FERC Orders No. 70-70E, Order 499-499-A, Orders No. 575-575A and Order No. 593.

RESPONSIBILITY:

The CEO/General Manager shall be responsible for carrying out the provisions of this policy and may delegate certain responsibilities to staff members or consultants of the cooperative.