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Scenic Rivers Energy Cooperative

Procedure S.23

Renewable Generation – Distributed Generation (DG)

RESPONSIBILITY: CEO

APPLICABILITY:

This procedure is applicable to all members of the Cooperative who own and operate electric generation facilities that meet the definition of Qualifying Facilities under the “Public Utility Regulatory Policies Act of 1978, as amended, (“PURPA”) including all regulations promulgated thereto, and request interconnection with the Cooperative's system.

This procedure applies to both single-phase and three-phase connections.

The Cooperative shall comply with all requirements of PURPA, including the following:

- a. Interconnecting with Qualifying Facilities on reasonable, non-discriminatory terms;
- b. Operating in parallel with Qualifying Facilities;
- c. Purchasing energy and capacity made available from Qualifying Facilities at the Cooperative’s Avoided Cost rate;
- d. Providing retail electric service (station service) to all Qualifying Facilities who become members of the Cooperative.

The Cooperative may, but is not required to, permit Distributed Generation (“DG”) facilities which do not meet the definition of Qualifying Facilities to interconnect with the Cooperative’s system pursuant to this procedure. Such determinations will be made on a case by case basis. All references in this procedure to a “DG” facility apply to any generating facility interconnecting with the Cooperative’s system.

The requirements established by this procedure are supplemented and further defined by such procedures, rules, and specifications as may be set forth in the Cooperative’s Interconnection Application and Interconnection Agreement, rates schedules, and the Cooperative’s other policies of general application, as those may be amended by the Cooperative from time to time.

To the extent to which the Cooperative follows or incorporates any PSC rules, regulations, or requirements in this procedure or the Interconnection Application or Interconnection Agreement, such shall not be construed to submit the Cooperative to PSC jurisdiction, including but not limited to jurisdiction over any matters or disputes related to this procedure or interconnection with any DG facilities.

DEFINITIONS:

In this procedure:

A “Qualifying Facility” or “QF” means either a cogeneration facility or a small power production facility that meets the requirements of Section 201 of PURPA, and which has received certification from Federal Energy Regulatory Commission (FERC) or which has completed the process established by the FERC for

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self-certification. A qualifying small power production facility is a generating facility where the primary energy source of the facility must be biomass, waste, renewable resources, geothermal resources, or any combination, with 75 percent or more of the total energy input coming from these sources, whose power production capacity (together with the power production capacity of any other small power production facilities that use the same energy resource, are owned by the same person(s) or its affiliates, and are located on the same site) does not exceed 80 MW;

“Avoided Cost” means the incremental costs to the Cooperative of electric energy or capacity, or both, which, but for the purchase from the Qualifying Facility, the Cooperative would generate itself or purchase from another source. The Cooperative is an all-requirements wholesale customer of Dairyland Power Cooperative, so the “avoided cost” for the Cooperative is the avoided cost of Dairyland Power Cooperative.

PROCEDURE:

1. Any individual or entity wishing to interconnect with the Cooperative’s electric system shall become a Member of the Cooperative in accordance with the Bylaws of the Cooperative and such other policies established by the Cooperative’s Board of Directors.
2. Application for interconnection of a DG facility shall be made on a form furnished by the Cooperative. As part of the application process, the member shall submit plans to the Cooperative for review to assure compliance with all applicable policies, rules, laws, regulations, and other requirements to interconnection.
3. All engineering expenses and the cost of all upgrades, including both labor and equipment, needed to allow the DG facility to interconnect shall be at the member’s expense.
4. All electrical work required for installation and maintenance of the DG facility on the member’s side of the interconnection must be completed by a licensed qualified electrician. A wiring statement shall be completed by the electrician before the Cooperative will permit interconnection.
5. The Cooperative must approve the application and give written consent to the member to interconnect and begin operating in parallel prior to the system being energized.
6. Upon the Cooperative’s approval of the application, the member and the Cooperative must enter into an agreement to purchase any output before the Cooperative will be obligated to purchase.
7. The member shall be responsible for all incremental costs resulting from interconnecting with the Qualifying Facility. This includes all reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, inspection, and administrative costs incurred by the Cooperative directly related to the installation and maintenance of the facilities necessary to permit interconnection, to the extent such costs exceed the corresponding costs which the Cooperative would have incurred had it not interconnected.

FACILITY REQUIREMENTS:

1. The Cooperative may require a separate distribution transformer for a member operating a DG facility, when necessary to protect the safety of Cooperative employees or members of the public, or to avoid problems in providing utility service to other Cooperative members.

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2. The Cooperative may limit the capacity and operating characteristics of all DG equipment in a manner consistent with the electrical limitations of the Cooperative's distribution system, in order to avoid problems in the delivery of energy to other Cooperative members.
3. The DG facility must have a system for automatically isolating the generator from the Cooperative's lines upon loss of the Cooperative supply. Paralleling equipment must be certified by a nationally-recognized testing laboratory as meeting the testing requirements of UL 1741.
4. A lockable load-break disconnect switch must be installed between the DG facility and the Cooperative's lines. For installations interconnected at greater than 600 volts, a fused cutout switch may be substituted, where practicable. All such switches must be accessible to Cooperative.
5. If a member is proposing to connect a DG facility whose existing metering equipment will not meet current service rules; the service must be brought up to current rules and codes.
6. All costs of installing or upgrading such metering equipment shall be borne by the member.
 - a. If Policy 20-14 rate is applicable, one meter shall be used to charge the member for energy usage and credit the member for member generation purchased by the Cooperative.
 - b. If Policy 20-15 rate is applicable, two separate meters shall be used. One meter for Buy All and one meter for Sell All.
7. If the Cooperative determines that installation of an isolation transformer is necessary for protection of the DG facility or the Cooperative's equipment, the cost of such transformer shall be borne by the member.
8. At no point shall the total DG capacity exceed the total capacity of the circuit of which it is a part.
9. The member is responsible for compliance with all applicable codes, and for providing protection of member owned equipment. The Cooperative at its discretion may have the service inspected by a state certified master electrician or state certified electrical inspector.

RULES OF OPERATION:

1. The power output of the DG facility shall meet the Cooperative's power quality standards. Frequency and voltage shall be compatible with normal Cooperative service, and do not cause that service to fall outside the prescribed limits of Wisconsin Public Service Commission ("PSC") rules and other standard limitations.
2. The DG facility must be operated so that variations from acceptable voltage levels and other service-impairing disturbances do not result in adverse effects on the service or equipment of other members, and in a manner that does not produce undesirable levels of harmonics in the Cooperative's power supply.
3. The Cooperative may isolate a DG facility from the Cooperative's lines for any of the following:
 - a. To facilitate maintenance or repair of Cooperative facilities.
 - b. To protect Cooperative employees or other persons during system emergencies.
 - c. To protect service to other members or protect nearby communications systems or circuits, if

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the DG facility is operating in a hazardous manner or otherwise deleteriously affecting service to other members.

3. The member shall make equipment available and permit entry upon the property by Cooperative and communication utility personnel at reasonable times for the purposes of testing isolation and protective equipment and evaluating the quality of power delivered to the Cooperative's lines, and for testing to determine whether the DG facility is the source of any electric service or communications system problems.
4. The Cooperative reserves the right to disconnect a DG facility if the member violates this procedure or other Cooperative policies, rules, procedures, or the Interconnection Agreement, or if the Member otherwise operates the generating facility in a manner that is non-qualifying under PURPA.

LIABILITY OF THE PARTIES:

Each of the parties shall indemnify and hold harmless the other party against any and all damages to persons or property occasioned, without the negligence of such other party, by the maintenance and operation by such parties of their respective lines and other electrical equipment. Members requesting an interconnect under this procedure shall provide insurance coverage on an occurrence basis and provide the Cooperative a certificate of insurance naming the Cooperative as an additional insured prior to energizing a DG facility. The member shall also carry and maintain minimum liability insurance as specified in the Cooperative's Interconnection Agreement and policy shall be cancelled, expire or changed in a material way by the insurer without thirty (30) days prior written notice to the Cooperative.

Information contained in this Procedure is subject to update or modification by the Cooperative at any time and at the sole discretion of the Cooperative. Such information includes (but is not limited to) policies, procedures, rates, tariffs and applications. Some information may change as a result of external factors such as new legislation or regulations. Prior to making use of the information contained herein, please check with appropriate Cooperative staff.

For the above reasons, the Cooperative requests that the recipient NOT reproduce or distribute this document, or rely solely on its contents to make any business or personal decisions regarding renewable energy resources.