

RED RIVER VALLEY REA
Policy # 602
Interconnection of Distributed Resources

It shall be the policy of Red River Valley REA to assist any Member that requests information concerning the installation of distributed resources, of 100 kilovolt Amps (kVA) or less, on the Association's system. This policy is developed to conform with federal and state regulations specific to the installation of Member owned qualifying distributed resources and to ensure compliance with the Association's all-requirements wholesale power contract.

A. General

1. Only members of the Association will be recognized as responsible parties under this policy. Others will be referred to their power provider or transmission provider.
2. It is the Member's responsibility to notify the Association of the installation of any distributed resource connected in any way to the Association's electric distribution system. A Member's failure either to notify or to contract with the Association shall disqualify the Member from any and all benefits granted by this policy.
3. This policy incorporates, by reference, IEEE Standards 1547 and 1547.1, which shall be available for inspection during normal business hours at the Association's headquarters.
4. A Member must conduct his/her own analysis to determine the economic benefit of a planned DR operation. Consistent therewith the Association shall provide an explanation of all costs authorized by the Member prior to their being incurred. The Association may require a nonrefundable deposit prior to proceeding with the Member's application and interconnect.
5. The Association adopts the following definitions for DR operations:
 - a. **"Qualifying Facility"** is a distributed resource that makes or stores electricity by utilizing a renewable energy source. Certain fossil-fueled generators that meet specific FERC requirements may be considered.
 - b. **"Distributed Resource"** is a source of electric power not directly connected to a bulk power transmission system, having an installed capacity of not more than 10 mVA. Distributed Resources include both generators and energy storage technologies connected to the Association's electric distribution system through a point of common coupling.
 - c. **"Responsible Party"** is the owner, operator or any other person or entity that becomes accountable to the Association by virtue of this policy.
 - d. **"Stand-alone" or "Isolated"** any DR operation that is not connected to the Association's distribution system in any way.
 - e. **"Parallel"** any DR operation connected in any way to the Association's distribution system.

- f. **“Net Metering”** refers to a meter that rolls forward when the Member receives power from the Association and rolls backwards when the Member exports power to the Association. Other options include a meter with two readings, one to measure power to the Member and the second to measure power from the Member to the Association. If the Member uses more energy over the course of the billing period than they have generated, they pay only for the net energy received. Under net metering, the Association will not pay the Member for net exports.
- g. **“Avoided Cost”** means the incremental cost that the Association’s wholesale supplier would have paid for power had the Association’s wholesale supplier generated or acquired it from a source other than the qualified facility.
- h. **“Firm Power”** describes power or power-producing capacity provided by a qualifying facility pursuant to a legally enforceable obligation for scheduled availability over a specified term.
- i. **“Non-firm Power”** describes power provided by a qualifying facility under an arrangement that does not guarantee scheduled availability, but instead provides for delivery as available.
- j. **“Contract”** describes the interconnection agreement between the Member and the Association. The contract’s terms and conditions shall be provided by the Association.
6. The Responsible Party shall assume the following risks and obligations: (a) maintenance of liability insurance at limits of not less than \$300,000. Higher limits may be required as determined by the Association based on criteria of size and operating characteristics; (b) compliance with all national, state, and local government requirements and electric utility standards for the safety of the public and such personnel as may be involved in utility operations, maintenance and repair. (c) safe and effective operation and maintenance of the DR facility; (d) interconnection application and demonstration of the DR facility’s present and future capabilities.
7. The Member will reimburse the Association and/or its power provider for all costs of modifications required for the interconnection of the Member’s DR facilities.
8. The Member must provide for appropriate electric power system disconnect facilities, as determined by the Association, which shall include a lockable disconnect and a visible open, that are readily accessible to and operable by authorized personnel at all times.
9. The Member must provide for borrower access to the Distributed Resources facility during normal business hours and all emergency situations.
10. The Association shall establish a suitable rate classification for customers with Distributed Resources.
11. This policy will be reviewed and updated by the Board of Trustees, every five years or with greater frequency, if necessary to comply with approved Board policies of Western Farmers Electric Cooperative or with state and federal regulations that pertain to distributed resources.

B. Qualifying Facilities:

1. 25 kVA or less.

a. The Association will adopt a policy of net metering for any qualifying facility under contract that has output capabilities of 25,000 kWh or less per year.

b. The Association will consider qualifying facilities of 25 kVA or less to meet these criteria.

2. Over 25 kVA but less than 100 kVA.

a. The Association will pay a Member for each kWh of energy exported from its qualifying facility into the Association's distribution system at the avoided cost rate approved by the Association's Board of Trustees.

b. The Association will only buy Non-firm Power from a QF at its approved summer and winter avoided cost rates for Non-firm energy. Members wishing to furnish Firm Power will be referred to the Association's wholesale power provider.

3. 100 kVA up to 10 mVA

a. The Association will refer all qualifying facilities of 100 kVA or larger to the wholesale power provider for information.

b. The Association will furnish the Member with all necessary information for contacting the Association's wholesale power provider.

c. Facilities over 100 kVA functioning in an isolated or stand-alone manner will be acceptable as long as their operation produces no adverse affect on the Association's distribution system.

C. Consistent with prudent electric utility practices, the Association reserves the right to deviate from the above policy whenever issues of system capacity, safety, voltage stability, wholesale policy, rates, or other qualifying factors are involved.

D. This policy along with a standard application, relevant procedures, fee information, and a standard agreement shall be made readily available to the public.

E. Authority

The Board of Trustees hereby authorizes the Chief Executive Officer to carry out the administrative provisions of this policy.

Date Adopted: April 22, 2008

Date Amended: Sept 28, 2010

Date Amended: May 24, 2011

Review Schedule: No More than Five Years

Attested: _____
Larry Hicks, Secretary