

RED RIVER VALLEY REA
Policy # 602
Interconnection of Distributed Resources

It shall be the policy of Red River Valley REA to assist any Customer that requests information concerning the installation of distributed resources (DR), of 3,000 kilowatts or less, on the Cooperative's system. This policy is developed to conform with federal and state regulations specific to the installation of Customer owned qualifying distributed resources and to ensure compliance with the Cooperative's all-requirements wholesale power contract.

A. General

1. Only Customers of the Cooperative will be recognized as responsible parties under this policy. Others will be referred to their power provider or transmission provider.
2. It is the Customer's responsibility to notify the Cooperative of the installation of any distributed resource connected in any way to the Cooperative's electric distribution system. A Customer's failure to inform the Cooperative of the distributed resource shall disqualify the Customer 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 Cooperative's headquarters.
4. A Customer must conduct his/her own analysis to determine the economic benefit of a planned DR operation. Consistent therewith the Cooperative shall provide an explanation of all costs authorized by the Customer prior to their being incurred. The Cooperative may require a non-refundable fee prior to proceeding with the Customer's application and interconnect.
5. The Cooperative 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. Qualifying Facilities (QF) are defined by the Public Utility Regulatory Act of 1978 (PURPA) and certified by the Federal Energy Regulatory Commission (FERC).
 - 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 3,000 kW. Distributed Resources include both generators and energy storage technologies connected to the Cooperative'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 Cooperative by virtue of this policy.
 - d. **"Stand-alone" or "Isolated"** any DR operation that is not connected to the Cooperative's distribution system in any way.
 - e. **"Parallel"** any DR operation connected in any way to the Cooperative's distribution system.
 - f. **"Net Metering"** is defined as measuring the difference between the electricity supplied by the Cooperative and the electricity generated by the Customer's DR facility and fed back to the electric grid within the operable time period. If the

Customer uses more energy over the course of the billing period than they have generated, they pay only for the net energy received.

- g. **“Avoided Cost”** means the incremental cost that the Cooperative’s wholesale supplier would have paid for power had the Cooperative’s wholesale supplier generated or acquired it from a source other than the qualified facility.
 - h. **“Contract”** describes the interconnection agreement between the Customer and the Cooperative. The contract’s terms and conditions shall be provided by the Cooperative.
 - i. **“Purchased Power Agreement”** is required for DR facilities greater than 300 kW and refers to a separate power purchase agreement between the Customer and the Cooperative’s Power Supplier.
- 6. The Responsible Party shall assume the following risks and obligations: (a) maintenance of liability insurance of adequate limits. Increased liability limits may be required as determined by the Cooperative 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 Customer will reimburse the Cooperative and/or its power provider for all costs of modifications required for the interconnection of the Customer’s DR facilities.
 - 8. The Customer must provide for appropriate electric power system disconnect facilities, as determined by the Cooperative, 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 Customer must provide for borrower access to the Distributed Resources facility during normal business hours and all emergency situations.
 - 10. The Cooperative shall establish a suitable rate classification for customers with Distributed Resources. To the extent possible, such rate(s) shall recover the fixed costs of serving DR customers.
 - 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. **300 kW or less.**

- a. The Cooperative will adopt a policy of net metering for any qualifying facility under contract that has a maximum capacity of 300 kW and the rating of which is less than or equal to 125% of the Customer’s peak load.
- b. When the energy supplied by the Customer exceeds the energy supplied by the Cooperative during a billing period, the monthly charge and/or minimum bill of the retail rate schedule shall be billed by the Cooperative in addition to the monthly

metering charge, and the excess energy shall be purchased by the Cooperative on behalf of the Cooperative's power supplier at its power supplier's avoided cost. The Customer shall be compensated by a bill credit on the Customer's monthly bill.

2. Over 300 kW but less than 3000 kW.

- a. Purchases of exported energy from a Customer with a DR facility greater than 300 kW (or from a Customer with a DR facility equal to or less than 300 kW but where the rating thereof exceeds 125% of the Customer's peak load) shall be made by the Cooperative's Power Supplier under the terms of a separate power purchase agreement between the Customer and the Power Supplier at a rate equal to the Power Supplier's avoided energy cost. The avoided energy cost shall be calculated periodically as provided by the Cooperative's Power Supplier. The Customer shall be compensated directly by the Cooperative's Power Supplier.
- b. There shall be no net metering for Distributed Generation facilities larger than 300 kW of connected generation.
- C. Consistent with prudent electric utility practices, the Cooperative reserves the right to deviate from the above policy whenever issues of system capacity, safety, voltage stability, wholesale policy, service terms, 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.



Attested: John Decker
Board Secretary

Adopted: April 22, 2008
Previously Amended: June 27, 2017
Amended: August 25, 2020
Review Schedule: No More than 5 Years