

Board Approved: September 6, 2017

Effective: January 1, 2018

800 – PARALLEL OPERATION OF CUSTOMER’S GENERATING EQUIPMENT WITH DISTRICT’S SERVICE

A. Cogeneration and Small Power Production

The District will offer to enter into a Cogeneration Agreement for those cogenerators and small power producers with a capacity of 20 MW or less, which qualify under Section 201 of the Public Utility Regulatory Policies Act of 1978 (PURPA) at rates which are just and reasonable to ratepayers and do not discriminate against the cogenerator or small power producer. In addition, the District will provide service to qualifying facilities at reasonable and nondiscriminatory rates as outlined in PURPA, Section 210. However, in an effort to protect the safety of the District's customers and personnel and to safeguard the quality of service to other customers, all customers who operate electric generation equipment shall not interconnect such equipment with the District, except as authorized under a Cogeneration Agreement. Any parallel operation of cogeneration or small power production equipment without a Cogeneration Agreement shall be grounds for immediate disconnection of the service.

The District will not enter into a Cogeneration Agreement with any cogenerator or small power producers with a capacity greater than 20 MW. Pursuant to Section 210(m) of the Public Utility Regulatory Policies Act of 1978, the District has been relieved from the obligation to enter into any contract or obligation to purchase energy and/or capacity from PURPA qualifying facilities of 20 MW or more, located within the Southwest Power Pool by the Federal Energy Regulatory Commission (FERC), as set forth in 18 CFR 292.303.

B. Standby Generation

The District recognizes the need for standby fossil fuel generation for emergency use during outages. To protect the safety of the District's customers and personnel, a double throw disconnect switch shall be installed in conjunction with all standby generators. This switch shall be connected in such a manner that there is a visible open between the District's facilities and the standby generator. The installation of a standby generator without a properly installed double throw disconnect switch shall be grounds for immediate disconnection of the District's service.

C. Net-Metering Distributed Generation Facilities – 25 kW or Less**1. Availability**

Available to any District retail customer within the District's service area with a PURPA qualified distributed generation facility with a capacity of 25 kW or less, so long as the aggregate capacity of distributed generation does not exceed 1% of the capacity necessary to meet the District's average aggregate customer monthly peak demand forecast for that calendar year. Eligible fuel sources shall meet the requirements of a PURPA defined qualifying facility that uses renewable resources to generate electricity

which can be supplied to the District in a means which enables the District to avoid wholesale power purchase costs.

2. Type of Generation

Single-phase or three-phase, 60 cycles, at the District's available secondary voltages.

3. Monthly Bill Calculation

This policy will be made part of the customer's applicable rate schedule. Bill calculations will be performed on a monthly basis for all customers, including seasonal customers. Energy generated will be available for customer use and will be allowed to offset energy that would have otherwise been purchased by the customer from the District. Net energy delivered by the District or received by the District will be calculated by determining the difference between the 'Delivered' and 'Received' registers on one bi-directional meter, during a monthly cycle.

The net energy delivered by the District to the customer will be billed according to the customer's applicable rate schedule. The net excess generation received by the District will be credited monthly to the customer as a monetary credit and will be calculated based on the wholesale production costs avoided by the District for the monthly cycle. Monetary credits will be rolled forward to subsequent cycles. Any monetary credits remaining at the end of each annualized period, coinciding with the last bill generated within the calendar year, shall be paid to the customer.

Monetary credits for the avoidance of wholesale power purchase costs by the District for summer and winter billing months shall be as follows. For seasonal customers, summer months include kilowatt-hours from June 1 through September 30 and kilowatt-hours for winter months will be for all remaining months of the year.

	<u>Summer</u>	<u>Winter</u>
Wind Generation, per kWh	\$.0503	\$.0417
Photo-Voltaic Generation, per kWh	.0441	.0519
Baseload Generation (e.g., methane fueled), per kWh	.0468	.0454

4. Renewable Energy Credits

Renewable Energy Credits will be the property of the customer generator.

5. Interconnection Expenses

Any additional interconnection expenses specifically due to the distributed generation facilities will be the responsibility of the customer.

6. Meter Reading Responsibility

By January 31 of each year, the customer generator must submit to the District a meter reading indicating the total amount of energy produced during the previous calendar year by their distributed generation facility.

7. Contractual Obligations

Each alternate energy source must enter into a contractual agreement with the District to protect the District and its customers from potential harm or excessive costs, which could result from the District and its customers using energy from the alternate energy source.

D. Cogeneration and Small Power Production Facilities – Greater Than 25 kW but 20 MW or Less

1. Availability

Available to all cogeneration and small power production energy sources within the District's service area with a capacity of greater than 25 kW but 20 MW or less. Eligible fuel sources shall meet the requirements of a PURPA defined qualifying facility that uses renewable resources to generate electricity which can be supplied to the District in a means which enables the District to avoid wholesale power purchase costs.

2. Type of Generation

Single-phase or three-phase, 60 cycles, at the District's available secondary voltages.

3. Monthly Rate

The customer generator will pay the District \$15.00 per month for administrative services provided under this service regulation.

The energy received by the District will be purchased from the customer generator at the District's avoided wholesale power purchase costs as follows, unless the customer generator and District enter into a power purchase agreement which defines the sale and purchase of the electricity. For seasonal customers, summer months include kilowatt-hours from June 1 through September 30 and kilowatt-hours for winter months will be for all remaining months of the year. Such rates are subject to annual review and modification as deemed necessary by the District.

	<u>Summer</u>	<u>Winter</u>
Wind Generation, per kWh	\$.0503	\$.0417
Photo-Voltaic Generation, per kWh	.0441	.0519
Baseload Generation (e.g., methane fueled), per kWh	.0468	.0454

4. Renewable Energy Credits

Renewable Energy Credits will be the property of the customer generator.

5. Interconnection Expenses

All interconnection expenses incurred by the District, including metering equipment, will be the responsibility of the customer. These expenses shall be reimbursed to the District prior to the interconnection of the generation source.

6. Meter Reading Responsibility

The District will install all metering equipment necessary to meter the electric energy output of the customer generator's facility to ensure adequate measurements are obtained to apply the monthly rate as outlined in this service regulation. Meter readings will be the responsibility of the District.

7. Contractual Obligations

Each alternate energy source must enter into a contractual agreement with the District to protect the District and its customers from potential harm or excessive costs, which could result from the District and its customers using energy from the alternate energy source.