

Policy EO-07

SUBJECT: Distributed Energy Resources

OBJECTIVE: To establish the application procedure and qualification criteria for all members for the delivery, interconnection, metering and purchase of electricity from Distributed Energy Resources systems and to comply with applicable laws and rules governing qualifying facilities and Distributed Energy Resources.

POLICY CONTENT:

The Cooperative recognizes its obligation to provide an interconnection to qualifying facilities and will comply with all applicable laws and rules governing Distributed Energy Resources. The Management of the Cooperative support member owned distributed energy resource projects and will adhere to the laws, rules and regulations relating thereto for those projects. For purposes of this policy, the following terms have the meaning given them:

- A. **Interconnection Agreement** - the written agreement between the Member and/or qualifying facility and the Cooperative, as established in the adopted Interconnection Process.
- B. **Distributed Energy Resource** – means for the purpose of this policy is source of electric power that is not directly connected to a bulk power system. Distributed Energy Resources includes both generators and energy storage technologies capable of exporting active power to the Cooperative’s distribution electric system or the Member.
- C. **Interconnection Process** - means the adopted Distributed Energy Resource Interconnection Process which includes process documents, applications, contractual agreements and technical requirements.
- D. **Interconnection Application** - the form to be used by the Member to submit its formal request for interconnection of a Distributed Energy Resource to the Cooperative. The Member signature on the interconnection Application indicated the Member shall follow the steps outlined in the adopted Interconnection Process. The interconnection between the Member and the Cooperative must comply with the Cooperative’s adopted Technical Requirements.
- E. **Measured Capacity** - for purposes of determining capacity, it shall be measured based on the highest fifteen (15) minute average production demand of the distributed energy resource in any one billing period.
- F. **Nameplate Rating** – the nominal voltage (V), current (A), maximum active power (kWac), apparent power (kVA), and reactive power (kVAR) at which a distributed energy resource, is capable of sustained operation. For a distributed energy resources with multiple units, the total generator capacity is equal to the sum of all individual distributed energy resource units’ nameplate rating in the Distributed Energy Resource.

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- G. In the event an inconsistency exists between terms in this policy and those established by Statute, Rule or Court Order, then the definition so established shall supersede the definition used in this policy and shall govern.

All members are eligible for distributed energy resource interconnection with the Cooperative's distribution system upon the following terms and conditions.

1. The Member's Distributed Energy Resource must meet the qualifying facility eligibility requirements set forth in the federal Public Utility Regulatory Policies Act of 1978 (PURPA) *18 C.F.R. 292.303, 292.304 and North Dakota Century Code Title 49.
2. The Member shall complete, sign and return to Cooperative an Interconnection Application in the form prescribed in the Interconnection Process. The application shall be approved by Cooperative prior to the Member constructing the Distributed Energy Resource system.
3. The Member shall enter into a written Interconnection Agreement with the Cooperative as specified in the Interconnection Process. Other than the indicated areas, no modifications are allowed to the Cogeneration Contract. The Technical Interconnection Agreement may be modified as required.
4. The owner of the Distributed Energy Resource shall pay the Cooperative for all reasonable costs of interconnection including those costs outlined in the Interconnection Process.
5. The Cooperative may require the Distributed Energy Resource to discontinue parallel generation operations when necessary for system safety.
6. The power output from the Distributed Energy Resource must be maintained so that frequency and voltage are compatible with normal utility service and do not cause that service to fall outside the prescribed limits of Interconnection Process and other standard limitations.
7. The Measured Capacity of the Distributed Energy Resource may not exceed the capacity stated by the Member in the Interconnection Application.
8. The owner of the Distributed Energy Resource shall keep in force liability insurance against personal or property damage due to the installation, interconnection, and operation of its electric distributed generation facilities. The amount of insurance coverage shall be the maximum amount of said insurance for a Distributed Energy Resource as outlined in the Interconnection Process.
9. Patronage allocations for purchases under an interconnected distributed energy resource shall be based only on the net energy amount purchased from the Cooperative for the year.

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10. At the Member's request, the Cooperative shall provide a rate schedule for the purchase of electricity produced by a Member's Distributed Energy Resource. The rate schedule shall list purchase price for electricity and any standby charges that may apply according to the Nameplate Capacity of the Distributed Energy Resource.
11. Payment for the purchase of Distributed Energy Resource electricity herein shall be in the form of a credit on the member's monthly billing invoice. The member may request a check for the accrued purchase energy greater than the amount \$50.
12. The member must be, and continue to be, current with payment on its electric account with Cooperative.
13. In the event that the Distributed Energy Resource fails to meet the requirements of this policy or the Interconnection Process, the Cooperative will have the right to cancel the contract with the owner of the Distributed Energy Resource system.

RESPONSIBILITY: Management

APPROVED: June 27, 2011

REVIEWED: December 28, 2016

REVIEWED: July 23, 2018

AMENDED: March 23, 2020

REVIEWED: February 22, 2021

AMENDED: September 26, 2022