

MENARD ELECTRIC COOPERATIVE

POLICY MANUAL

SECTION IV – Operating Rules for Cooperative Members

49.1 INTERCONNECTION OF AND SERVICE TO QUALIFYING FACILITIES UNDER PUBLIC UTILITY REGULATORY POLICIES ACT (PURPA)

Objective

To provide for the interconnection of and service to a Qualifying Facility in keeping with the provisions of the Public Utility Regulatory Policies Act, consistent with the Waiver approved by the Federal Energy Regulatory Commission (FERC), and through joint integrated implementation with Prairie Power, Inc. (PPI) and other distribution cooperative members of PPI. This policy is a complement to PPI Policy #509, dated March 15, 2017, and any revisions incorporated thereafter.

Definitions

Base Rate means the cooperative rate schedules exclusive of residential heating incentives (i.e., Rate 10, 11, 20, 21, 30, 60, 61 and the respective Sherman franchise counterparts).

Generator Interconnection Agreement (GIA) means an agreement and any associated procedures and processes governing the design, engineering, materials procurement, facility upgrades, construction, installation, ownership, safe and reliable operation, maintenance, protection, metering, costs and cost recovery, and any other matters related to the interconnection of an electric generation facility to the electric distribution or transmission system consistent with the requirements of industry standards.

Interconnector means a member of the cooperative that chooses to own, connect or operate a Qualifying Facility in the cooperative's service territory, whether connected directly to the cooperative's electric distribution system or PPI's electric transmission system.

Nameplate Rating means the maximum electric energy production capability of a generator, specified in kilowatts, as stated on the generator device(s) placards, nameplates, or in the manufacturer's specifications, prior to any power inverter device(s).

Prairie Power, Inc. (PPI) means Prairie Power, Inc., an Illinois not-for-profit corporation, or its successors in interest, which is an electric generation and transmission cooperative of which the cooperative is a member and from which, by contract, the cooperative obtains its wholesale supply of electricity and transmission service for the delivery thereof.

PURPA means Sections 201 and 210 of the Public Utility Regulatory Policies Act codified at 16 U.S. Code §796 and §824a-3, as it has been or may hereafter be amended, together with all rules or regulations promulgated thereunder as it relates to Qualifying Facilities (e.g., Code of Federal Regulations, Title 18, Part 292).

MENARD ELECTRIC COOPERATIVE

POLICY MANUAL

SECTION IV – Operating Rules for Cooperative Members

49.2 INTERCONNECTION OF AND SERVICE TO QUALIFYING FACILITIES UNDER PUBLIC UTILITY REGULATORY POLICIES ACT (PURPA)

Qualifying Facility (QF) means a cogeneration facility or a small power production facility that meets the operational, efficiency, ownership and other standards set forth in PURPA and that has been certified by FERC as a qualifying facility.

“cogeneration facility” means a facility that produces electric energy and steam or forms of useful energy (such as heat) which are used for industrial, commercial, heating, or cooling purposes, but not including an electric generator that produces only a small token amount of useful thermal energy.

“small power production facility” means a facility that produces electric energy using biomass, waste, renewable resources, including wind, solar energy and water, or which together with other facilities at the same site have a generating capacity equal to or less than 80 megawatts.

Waiver means the collective waiver of the cooperative’s obligation to purchase electricity from a QF and of PPI’s obligation to provide supplementary, back-up, maintenance, and interruptible power to a QF, as approved by FERC in the Order Granting Petition for Waiver, dated February 5, 1990 (Docket No. IR-168-001).

Applicability

This policy applies to Interconnectors who choose to own, interconnect or operate a Qualifying Facility in the cooperative’s service territory, whether to the cooperative’s electric distribution system or PPI’s electric transmission system.

Evidence of Qualification

The Qualifying Facility is required to provide the cooperative evidence of status of the existing or proposed facility, demonstrated in accordance with the provisions of PURPA and the requirement to concurrently serve a copy of any filing on the electric utility with which the QF expects to interconnect, transmit or sell electric energy to, or purchase supplementary, standby, back-up or maintenance power from, provided:

- a) The Qualifying Facility may be self-certified by the Interconnector, or its representative, by properly completing FERC Form No. 556 and filing that form with the Commission;
or,

MENARD ELECTRIC COOPERATIVE

POLICY MANUAL

SECTION IV – Operating Rules for Cooperative Members

49.3 INTERCONNECTION OF AND SERVICE TO QUALIFYING FACILITIES UNDER PUBLIC UTILITY REGULATORY POLICIES ACT (PURPA)

- b) In lieu of self-certification, the Interconnector, or its representative, may obtain Commission certification that the facility is a Qualifying Facility.

Provisions of the Waiver

Consistent with the Waiver:

- a) The cooperative and PPI agree to interconnect with any QF requesting interconnection;
- b) The cooperative is obligated to make available to the QF, upon request, supplementary, back-up, maintenance, and interruptible power at rates that are nondiscriminatory, just and reasonable, and in the public interest;
- c) PPI maintains the obligation to purchase power from a QF which the cooperative would otherwise be required to purchase. The QF will not be subject to duplicate interconnection charges or additional fees as a result of PPI's purchase of power; and,
- d) A QF interconnecting directly to the cooperative's electric distribution system will not be subject to charges for wheeling power to PPI across such distribution lines.

Interconnection Provisions

- 1) The Interconnector must become a member of the cooperative, if not already.
- 2) If the QF has a Nameplate Capacity of 100 kilowatts or less and is to be interconnected with the cooperative's electric distribution system, the Interconnector and the QF shall at all times comply with the provisions, obligations, and requirements of the cooperative's policy on Interconnection and Parallel Operation of Distributed Generation.
- 3) If the QF has a Nameplate Capacity of more than 100 kilowatts and is to be interconnected with the cooperative's electric distribution system, the cooperative shall facilitate communications between the Interconnector and PPI to enable the Interconnector to enter into a GIA with PPI.

MENARD ELECTRIC COOPERATIVE

POLICY MANUAL

SECTION IV – Operating Rules for Cooperative Members

49.4 INTERCONNECTION OF AND SERVICE TO QUALIFYING FACILITIES UNDER PUBLIC UTILITY REGULATORY POLICIES ACT (PURPA)

- 4) If a QF of any Nameplate Capacity is to be interconnected with the PPI electric transmission system, the cooperative shall facilitate communications between the Interconnector and PPI, given the following requirements of the Interconnector:
 - a) If connection will be to non-networked segments of the PPI electric transmission system, the Interconnector and the QF shall at all times comply with the terms, requirements and conditions of a GIA with PPI.
 - b) If connection will be to the networked segments of the PPI electric transmission system, the Interconnector and the QF shall at all times comply with the terms, requirements and conditions of a GIA entered into among PPI, the Interconnector, and the Midcontinent Independent System Operator (“MISO”).
- 5) With any interconnection, system impacts to the cooperative’s electric distribution system, PPI’s electric transmission system, and other electric systems or facilities will be considered. The results of such system impact studies may cause the Interconnector to become subject to additional requirements and costs.

Purchases from the Qualifying Facility

- 1) The purchase of electric energy and electric capacity (if any) from the Interconnector of the QF, or its representative, shall be:
 - limited to those who have executed an agreement (i.e., Purchase Agreement) with PPI;
 - limited to Qualifying Facilities with a Nameplate Capacity of 100 kilowatts or less;
 - made in accordance with PPI Rate Schedule QF-S (Appendix C to PPI Policy #509), which shall be made available by the cooperative upon request; and
 - based on the avoided cost of the PPI system calculated at the time of delivery, unless paid pursuant to a legally enforceable obligation for the delivery of energy or capacity as provided for in PURPA federal regulation 18 CFR 292.304(d).

MENARD ELECTRIC COOPERATIVE

POLICY MANUAL

SECTION IV – Operating Rules for Cooperative Members

49.5 INTERCONNECTION OF AND SERVICE TO QUALIFYING FACILITIES UNDER
PUBLIC UTILITY REGULATORY POLICIES ACT (PURPA)

- 2) In the absence of alternative payment arrangements between PPI and the Interconnector of the QF, or its representative, purchases from the QF will be incorporated as bill credits in the following manner:
 - a) Prior to the 10th calendar day of each month, the cooperative shall provide PPI with hourly meter data from the Qualifying Facility of electric energy delivered to the cooperative during the prior billing month, taking into account by hour the displacement of all energy (load) consumed by the QF (e.g., an hourly report of net energy delivered).
 - b) PPI will calculate the monthly payment due the Qualifying Facility in accordance with Rate Schedule QF-S and apply such amount as a credit to the cooperative's subsequent monthly power bill (e.g., payment for energy delivered from the QF to the cooperative during March will appear as a credit on the cooperative's April power bill, which arrives in May).
 - c) Unless other payment arrangements have been made, the cooperative shall apply a bill credit to the account representing the Qualifying Facility, if any, in accordance with the monthly credit received from PPI.
- 3) The cooperative may assess a monthly service and/or administration charge to the Interconnector of the QF. Any service and administration charge levied by PPI to the cooperative shall be the responsibility of the QF.

Provision of Service to the Qualifying Facility

- 1) The cooperative will make available electrical service throughout its service territory in the form of supplementary, back-up, maintenance or interruptible power at the Base Rate requested by the Interconnector, or its representative.
- 2) The Interconnector, or its representative, may be subject to the provisions, obligations, and requirements of the cooperative's policy on Line Extension to the extent facilities are not available at the location of the Qualifying Facility.