

ORCAS POWER & LIGHT COOPERATIVE

MEMBER SERVICE POLICY 14

INTERCONNECTION OF MEMBER GENERATORS

This policy covers interconnection of any member owned generating facility, herein referred to as Member Generator (MG), to the OPALCO distribution grid. Any MG energized prior to December 17, 2003 will continue to be covered under Member Services Policy 13.

The member may select from the following options:

(1) Net Metering allows the MG to consume energy generated by their system which will offset the amount of energy purchased from OPALCO. MG may qualify for additional production incentives through the Member Owned Renewable Energy Program (MORE); OR

(2) Buy/Sell allows the MG the option to consume a portion of the energy produced; however, 51% of the energy produced must be sold to OPALCO.

14.1 AVAILABILITY

- 14.1.1 Energy must be generated from small-scale renewable resources such as solar, wind, and micro-hydro;
- 14.1.2 All power is considered non-firm, (this means power that is not available 24 hours per day, seven days per week);
- 14.1.3 Facilities with nameplate capability no greater than 200 kilowatts;
- 14.1.4 Requests for interconnection will be processed on a first-come, first-served basis. The maximum cumulative generating capacity of all MGs connected to OPALCO's grid is two Megawatts (MW);
- 14.1.5 OPALCO shall reserve the right to apply a fixed fee for administrative costs. The member shall be given reasonable notice before fixed fees are applied.

14.2 SERVICE CHARACTERISTICS

Single or three phase service, 60 Hz, at OPALCO voltages of 240/120, 480/277, 208/120 are available. In areas served by single phase lines, only single phase power will be purchased or sold unless the MG requests three phase service in accordance with OPALCO's line extension policy.

14.3 GENERAL PROVISIONS

14.3.1 Design Requirements

The MG shall be built and operated to comply with *Interconnection Standards for Member Generators with nameplate capability no greater than 200kW*.

14.3.2 Interruption or Reduction of Deliveries

- 14.3.2.1 OPALCO shall not be obligated to accept delivery of MGs' energy and may require MG to interrupt or reduce such delivery:

- 14.3.2.1.1 In order to construct, or maintain any of OPALCO's equipment or system;
 - 14.3.2.1.2 If curtailment is necessary because of emergencies, forced outages, or compliance with prudent electrical practices.
 - 14.3.2.2 OPALCO will, whenever possible, give the MG reasonable notice that interruption or reduction of delivery may be required.
- 14.3.3 The MGs proposed facility must be pre-approved by the OPALCO Engineering Department prior to construction.
 - 14.3.3.1 Member shall provide a detailed interconnection diagram showing protective disconnecting device(s) and over/under voltage and current devices.
 - 14.3.3.2 MG may be required to install additional protective equipment. OPALCO shall have the right to have representatives present at the initial testing of member's protective apparatus.
 - 14.3.3.3 MG shall not commence parallel operation of the facility until OPALCO has authorized the start up.
- 14.3.4 The MG shall complete, sign and submit an *Interconnection Application* and an *Agreement for Interconnection of Member Generators* prior to beginning construction.
- 14.3.5 Member shall pay for designing, installing, operating and maintaining the MG in accordance with OPALCO standards and agreements that apply at the time of installation. OPALCO's standards and agreements are detailed in OPALCO's *Agreement for Interconnection of Member Generators* and *Interconnection Standards for Installation of Member Generators*, which may be amended from time to time.
- 14.3.6 OPALCO reserves the right to designate the metering type, location, and method of interconnection. The MG shall be required to pay a contribution in aid of construction for all equipment and upgrades necessary to OPALCO's distribution system in order to accommodate the facility.
- 14.3.7 Member shall obtain any governmental authorizations and permits required for the construction and operation of the MG. Member shall reimburse OPALCO for any and all losses, damages, claims, penalties or liability it incurs as a result of member's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of MG or failure to properly maintain member's facility.
- 14.3.8 The MG shall comply with all requirements and standards of the National Electric Code (NEC), National Electrical Safety Code (NESC), American National Standards Institute (ANSI), Institute of Electrical and Electronic Engineers (IEEE), American Society of Mechanical Engineers (ASME), Western Electricity Coordinating Council (WECC), Underwriters Laboratories (UL), North American Electric Reliability Corporation (NERC) the National Electric Code General Order 95, and all local, state, and federal rules and regulations or codes which may be applicable.

- 14.3.9 All safety and operation procedures for MG must comply with the Occupational Safety Health Administration (OSHA) standards, the NEC, Washington Administrative Code (WAC) rules, Washington Industrial Safety and Health Administration (WISHA) standards, and equipment manufacturers' safety and operation manuals.
- 14.3.10 Notwithstanding any other provision of this policy, if at any time OPALCO determines that either (1) the facility may endanger OPALCO personnel or (2) the continued operation of member's facility may endanger the integrity of OPALCO's electrical system, OPALCO shall have the right to disconnect MG from OPALCO's electric system. The MG shall remain disconnected until all hazardous conditions have been corrected.
- 14.3.11 The owner of the MG shall install, at no cost to OPALCO, a disconnect device that is manually operated, accessible, visible, and lockable. OPALCO reserves the right to lock this device in the "open" position. This protective switching equipment may be operated without notice or liability by OPALCO or an OPALCO representative if, in the opinion of OPALCO or its representatives, continued operation of the MG in connection with OPALCO's system may create or contribute to a system emergency or safety hazard. OPALCO shall endeavor to minimize any adverse effects of such operation on the MG.
- 14.3.12 The MG must provide OPALCO a written notice of sale or transfer of the MG or the premises upon which the facility is located within thirty (30) calendar days. To continue interconnection service to the new MG, a new interconnection agreement, signed by the new MG, is required within thirty (30) calendar days. Production incentive payments will cease to departing member, but will transfer to new owner upon receipt of signed documents.
- 14.3.13 OPALCO may enter member's premises or property:
 - 14.3.13.1 To inspect the member's protective devices during reasonable hours with prior notice;
 - 14.3.13.2 To disconnect at OPALCO's meter or transformer, without notice, the MG (or the entire service if the MG cannot be disconnected at or near the meter) if, in OPALCO's opinion, a hazardous condition exists.

14.4 NET METERING

- 14.4.1 Net Metering is the connection method in which the MG may consume the energy generated by their system in order to offset the amount of energy purchased from OPALCO. In the event the energy generated exceeds the energy consumed by the MG, the excess may be distributed to OPALCO's grid.
- 14.4.2 In no case will a credit be issued for excess energy generated. A bill for zero usage will be issued and excess kWhs will be "banked" for usage by the member in a subsequent month. Payment for any banked kWhs remaining on April 30th of each year shall be made based on OPALCO's yearly average of wholesale power purchased from BPA. The yearly average shall be determined each year on March

31st using OPALCO's year-end Rural Utilities Service (RUS) Form 7, Part K, Section (e) *Average Cost*. In addition, a green power premium shall be paid at one cent (\$.01) per kWh.

- 14.4.3 The Net Metering billing adjustment applies to charges for energy consumed only. A member participating in the Net Metering Program is subject to the OPALCO tariff under which the member receives service. Banked kWhs shall be applied only to energy usage and not the basic charge. In all cases, the basic charge will apply.
- 14.4.4 OPALCO shall provide meter aggregation for members who are participating under the Net Metering section of this policy. If a member's interconnection under Net Metering is known to produce more energy than the member's premises can consume on a yearly basis, then OPALCO shall allow the member to apply the excess energy to any other of the member's account(s) that are under exactly the same name as the member's interconnected facility. The member shall provide OPALCO with the account information for which they wish meter aggregation at the time application is made. Members can change the accounts which are being aggregated one time each year, on or before April 30th. Requests must be in writing and the change shall take effect in the next billing period.

14.5 BUY/SELL

- 14.5.1 Buy/Sell is the connection method in which no less than 51% of the generation will be sold to OPALCO.
- 14.5.2 Energy delivered into the OPALCO system will be reimbursed on a monthly basis by OPALCO. The established rate at which OPALCO will purchase all energy flowing out of the MG and delivered to OPALCO's distribution grid for non-firm power shall be based on OPALCO's yearly average of wholesale power purchased from BPA. The yearly average shall be determined each year on March 31st using OPALCO's year-end Rural Utilities Service (RUS) Form 7, Part K, Section (e) *Average Cost*. In addition, a green power premium shall be paid at one cent (\$.01) per kWh.
- 14.5.3 The Buy/Sell option applies to charges for energy consumed only. In all cases the basic charge will apply. OPALCO reserves the right to limit purchases that exceed OPALCO's ability to resell the power to its members.

14.6 MEMBER OWNED RENEWABLE ENERGY (MORE) FUND/PRODUCTION INCENTIVES

All MORE incentives will be funded through voluntary contributions; OPALCO offers no guaranteed incentive payments. New MGs will be admitted into the MORE Incentive Program on a first come, first served basis after July 1, 2010. MORE installations will follow the Net Metering Section 14.4 of this policy.

- 14.6.1 Production meter: Member will install, at their expense, a meter base which will accommodate an OPALCO meter. The production meter is a separate meter from the OPALCO billing meter and is required to record all energy produced from the MG.

- 14.6.2 Incentives will be administered through an independent committee of OPALCO members following approved MORE committee guidelines. See MORE guidelines for more details.

14.7 WASHINGTON STATE RENEWABLE ENERGY SYSTEM COST RECOVERY (WSRESCR) INCENTIVE

- 14.7.1 All MGs are eligible for the WSRESCR incentive. MGs must have their system certified by Washington State University to participate. OPALCO's incentive pool is subject to a state-defined cap. Once the cap is reached, incentives paid to participating MGs will be proportionally decreased.
- 14.7.2 Member will install, at their expense, a meter base which will accommodate a production meter. The production meter is a separate meter from the OPALCO billing meter and is required to record all energy produced from the MG.

14.8 INDEMNITY AND LIABILITY

Member shall hold harmless and indemnify OPALCO, its other members, employees, and its agents, from any damage, loss, claim or expense arising out of member's actions or inaction in connection with this policy. OPALCO shall hold harmless and indemnify member for any loss, claim or expense arising out of the actions or inaction of OPALCO, its employees, or its agents in implementing this policy. This section shall not relieve any insurer of its obligation to pay claims in accordance with the provisions of any valid insurance policy.



Foster Hildreth, General Manager

September 18, 2014

Effective Date