

ORCAS POWER & LIGHT COOPERATIVE

MEMBER SERVICE POLICY 14

INTERCONNECTION OF MEMBER GENERATORS AND STORAGE

This policy covers interconnection of any member owned generating facility, herein referred to as distributed energy resource (DER), to the OPALCO distribution grid. Any DER 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 member to consume energy generated by their system which will offset the amount of energy purchased from OPALCO; OR
- (2) Buy/Sell allows the member the option to consume a portion of the energy produced.

14.1 AVAILABILITY

- 14.1.1 Energy must be generated from small scale renewable resources such as, but not limited to, solar, wind, and to 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 (kW). Facilities over 200 kW must go through BPA's generation interconnection process;
- 14.1.4 Requests for interconnection will be processed on a first-come, first-served basis. Engineering will review applications and determine maximum generation capacities as it pertains to maintaining system reliability and safety;
- 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 phase 120/240 or three phase 277/480 or 120/208 service, at 60 Hz are available. Any service upgrades necessary must comply with MS Policy 5 – Line Extension.

14.3 GENERAL PROVISIONS

14.3.1 Design Requirements

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

14.3.2 Interruption or Reduction of Deliveries

14.3.2.1 OPALCO shall not be obligated to accept delivery of DER's energy and may require member DER 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.

- 14.3.3 The members 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 disconnecting device(s) as well as any associated protection as required by applicable standards/practice and codes.
- 14.3.3.2 The member may be required to install additional protective equipment for the DER installation. OPALCO shall have the right to have representatives present at the initial testing of member's protective apparatus.
- 14.3.3.3 The DER shall not commence parallel operation of the facility until OPALCO has authorized the start up.
- 14.3.3.4 Smart inverter ride through is required for all new inverters after the September 8th, 2017 and shall be certified to Underwriters Laboratories UL-1741 SA (Supplement A)
- 14.3.3.5 OPALCO may require the member to operate the DER for various power factor (PF) ranges within its specification and either enable or disable the dynamic Volt/VAR ability.
- 14.3.3.6 OPALCO may determine that additional anti-islanding protection is required and will be installed at the expense of the member.
- 14.3.4 The member 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 DER 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 member 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 DER. 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 DER or failure to properly maintain member's facility.
- 14.3.8 The DER shall comply with all requirements standards of all local, state, and federal rules and regulations or codes which may be applicable.
- 14.3.9 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 enact MS Policy 3.5 – Immediate Disconnection.

14.3.11 The owner of the DER 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 DER 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 DER.

14.3.11.1 Single phase customers with inverter based generation less than 15 kW are not required by OPALCO to have a lockable AC Disconnect Switch so long as the installation meets all applicable local/national codes and standards. However, if the customer does not install a lockable AC Disconnect Switch, the revenue meter may be removed to isolate the customers generator from the electric distribution system. The removal of the revenue meter will result in the loss of electrical services.

14.3.12 The member must provide OPALCO a written notice of sale or transfer of the DER or the premises upon which the facility is located within thirty (30) calendar days. To continue interconnection service to the new member, a new interconnection agreement, signed by the new member, is required within thirty (30) calendar days. The net metering rate will cease to the departing member, but will transfer to new member upon receipt of signed documents.

14.3.13 Members must notify OPALCO if any significant changes (beyond general maintenance) are made to the interconnected system. This may include, but is not limited to, altering the AC inverter capacity, changing inverter types, increasing DC capacity before the inverters, or otherwise altering the system's one-line diagram initially submitted to OPALCO.

14.3.14 OPALCO may enter member's premises or property:

14.3.14.1 To inspect the member's protective devices during reasonable hours with prior notice;

14.3.14.2 To disconnect at OPALCO's meter or transformer, without notice, the DER (or the entire service if the DER 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 DER 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 DER, 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 PNGC. 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 service access charge. In all cases, the service access 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. Members may only aggregate up to 5 meters. 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 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 DER and delivered to OPALCO’s distribution grid for non-firm power shall be based on OPALCO’s yearly average of wholesale power purchased from PNGC. 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.
- 14.5.2 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 DERs 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 DER.

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 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

May 16, 2019

Effective Date