

HILL COUNTY ELECTRIC COOPERATIVE, INC.

SECTION 10.1: Interconnection of Small Customer Generation Facilities

General

In the interest of promoting the use of renewable generation resources, this policy outlines the means and requirements for interconnecting member-customer generation facilities with Hill County Electric Cooperative's (HCE) electrical system. While this policy primarily addresses interconnection options, it is recognized that a member-customer may generate electricity without interconnecting to the HCE's system.

Availability and Requirements

A member-customer wanting to interconnect with HCE's electrical system must request interconnection, in writing, and must comply with the following:

1. Complete an interconnection request application form which outlines specific information to be submitted. (T)
(T)
(D)
2. With the exception of the net metering option, the generation may include generation sources that meet the definition of "Qualifying Facility" (QF) as defined in the Public Utilities Regulatory Policy Act of 1978 (PURPA) provided PURPA continues to be enforceable under federal law.
3. Any unauthorized interconnection with HCE's system potentially creates an unsafe condition for HCE employees and others. Any unauthorized interconnection with the HCE system by a customer subjects the customer to immediate disconnection, to all costs relating to obtaining authorization for connection, and to the costs for disconnection and reconnection.

Options

The member-customer's generation source may be interconnected to HCE's system utilizing one of the following options, depending on the generation source and facility size:

1. Net Metering - up to 10 kW (T)
2. QF Interconnection- greater than 10 kW but less than 150 kW (T)
 - a. Output Purchase
 - b. Output Wheeled

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HILL COUNTY ELECTRIC COOPERATIVE, INC.

SECTION 10.2: Interconnection of Small Customer Generation Facilities
- Net Metering

Net Metering is defined as the interconnection of member-customer owned generation from a renewable source to HCE's electrical system, in which the generation output not used at the member-customer service is netted against the energy delivered to that member-customer by HCE within the following guidelines:

(D)

- Nameplate generating capacity shall not exceed 10 kW.
- Member-customer generation is intended primarily to offset part or all of the member's own electrical requirements at that specific member-customer's HCE meter.
- A standard non-detent meter may be allowed to turn in the direction the energy flows. Two detented meters may be required for automated meter reading systems.
- In addition to the monthly recurring retail charge, the member-customer will be required to pay all charges for electric power delivered by HCE to the member-customer service in excess of the electric power delivered into HCE's electrical system from the member-customer generation at the appropriate retail rate.
- Customer-member generated energy may not be banked beyond the calendar year. Banking is defined as accounting, for energy generated and delivered to HCE's electrical system for later use at that member-customer's service.
- Monthly net metering facilities charges will be assessed for HCE costs and expenses including interconnection, distribution and transmission costs and expenses.
- The member-customer-generator will be required to sign an interconnection and operating agreement with HCE and comply with such agreement at all times. This agreement must be consistent with HCE's operating agreements and obligations, including its all-requirements wholesale power contracts.
- The member-customer will be required to pay HCE in advance for engineering assessment and design work required by HCE for HCE infrastructure changes. Any engineering studies must be accepted by HCE prior to interconnection.
- HCE will not perform engineering work for the member-customer's infrastructure.

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HILL COUNTY ELECTRIC COOPERATIVE, INC.

SECTION 10.2: Interconnection of Small Customer Generation Facilities
- Net Metering (Continued)

- The member-customer will be required to pay all reasonable cost incurred by HCE for upgrades to HCE's system that are determined by HCE to be necessary for interconnection. Such upgrades may be required for, but not limited to, specialized metering, the^(T) proper operation of HCE's electrical system, and the maintenance of power quality and system integrity.
- HCE will not be liable for HCE's inability to accept delivery of member-customer generated energy.

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SECTION 10.3: Interconnection of Small Customer Generation Facilities
- Qualifying Facilities (QF) Program - Output Purchase

A QF is generally defined as a generating facility that utilizes a renewable resource or that uses a force that would otherwise be wasted unless harnessed to generate electricity. PURPA and FERC Orders 70-70E, 499-499A, 575-575A and 593 specifically define QF. Member-customer (Generator) generation facilities meeting the above QF definition and electric power produced by a QF for sale to HCE or an HCE power supplier may be allowed to interconnect with the HCE system subject to the following guidelines:

- Nameplate generating capacity shall be greater than 10 kW and (T)
less than 150 kW. (T)
- The generation may be stand-alone or may provide part or all of the Generator's own electrical requirements at that specific member-customer's HCE meter.
- Metering shall be required that is capable of measuring flow in both directions, with energy and capacity measured consistent with HCE system requirements.
- The Generator will be required to pay all charges for power delivered by HCE to the Generator at the appropriate retail rates.
- The Generator will be required to pay facilities charges for distribution and transmission services.
- The Generator will be required to sign an interconnection and operating agreement with HCE and comply with such agreement at all times.
- The Generator shall be responsible for impacts on HCE's purchases of wholesale power including but not limited to: costs of capacity (demand), costs of imbalances, costs of scheduling, costs of voltage regulation, cost of other ancillary services, those transmission costs billed on a capacity basis.
- The interconnection agreement must be consistent with HCE's operating agreements and obligations including its all-requirements wholesale power contracts.
- HCE shall not be responsible for any damages to any party in the event HCE is unable to perform wheeling.
- The Generator will be required to pay HCE in advance for engineering assessment and design work required by HCE for HCE infrastructure changes. Any engineering studies must be accepted by HCE prior to interconnection.
- HCE will not perform engineering work for the Generator's infrastructure.

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SECTION 10.3: Interconnection of Small Customer Generation Facilities
- Qualifying Facilities (QF) Program - Output Purchase

- The Generator will be required to pay all reasonable cost incurred by HCE for upgrades to HCE's system that are determined by HCE to be necessary for interconnection. Such upgrades may be required for, but not limited to, specialized (T) metering, the proper operation of HCE's electrical system, and (T) the maintenance of power quality and system integrity.
- Power sold to HCE by the Generator will be purchased at HCE's avoided cost.
- The Generator may be paid for capacity in addition to energy at HCE's avoided cost factoring the following considerations into the establishment of avoided cost: costs of capacity (demand), costs of imbalances, costs of scheduling, costs of voltage regulation, cost of other ancillary services, those transmission costs billed on a capacity basis.

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SECTION 10.4: Interconnection of Small Customer Generation Facilities
- Qualifying Facilities (QF) Program - Output Wheeled

Wheeling is defined as the transmission of member-customer (Generator) generated electric power across HCE's distribution/ transmission system to an off-system purchaser of the electrical power. A Generator wanting to wheel electric power across HCE's system shall meet the following guidelines:

- Nameplate generating capacity shall be greater than 10 kW and (T)
less than 150 kW. (T)
- HCE will not purchase power produced by the Generator.
- The generation facility may be stand-alone or may provide part or all of the Generator's own electrical requirements at that specific member-customer's HCE meter.
- Metering shall be required that is capable of measuring flow in both directions, with energy and capacity measured consistent with the requirements of the affected systems.
- The Generator will be required to obtain capacity rights from all systems affected, including HCE, and is directly responsible for payment or reimbursement to HCE for all associated charges.
- The Generator will be required to pay all charges for power delivered by HCE to the Generator at the appropriate retail rates.
- The Generator shall be required to pay HCE for wheeling across HCE's system including a reasonable rate of return.
- The Generator will be required to sign an interconnection and operating agreement with HCE and comply with such agreement at all times. This agreement must be consistent with HCE's operating agreements and obligations, including its all-requirements wholesale power contracts.
- The Generator shall be responsible for impacts on HCE's purchases of wholesale power including but not limited to: costs of capacity (demand), costs of imbalances, costs of scheduling, costs of voltage regulation, cost of other ancillary services, those transmission costs billed on a capacity basis.
- The Generator will be required to pay HCE in advance for engineering assessment and design work required by HCE for HCE infrastructure changes. Any engineering studies must be accepted by HCE prior to interconnection.
- HCE will not perform engineering work for the Generator's infrastructure.

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HILL COUNTY ELECTRIC COOPERATIVE, INC.

SECTION 10.4: Interconnection of Small Customer Generation Facilities
- Qualifying Facilities (QF) Program - Output Wheeled

- The Generator will be required to pay all reasonable cost incurred by HCE for upgrades to HCE's system that are determined by HCE to be necessary for interconnection. Such upgrades may be required for, but not limited to, specialized (T) metering, the proper operation of HCE's electrical system, and (T) the maintenance of power quality and system integrity.
- HCE is not responsible for billing, collection or payment for power delivered across HCE's system to an off-system purchaser of the electrical power.
- HCE shall not be responsible for any damages to any party in the event HCE is unable to perform wheeling.

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HILL COUNTY ELECTRIC COOPERATIVE, INC.

SECTION 11.1: Interconnection of Distributed Generation Facilities
with a Nameplate Capacity of 150 kW or Greater

Due to the complexity of interconnecting distributed generation (T)
facilities with a nameplate capacity of 150 kW or greater, Hill County
Electric Cooperative has adopted Board Policy 2008. This policy and
related procedures shall be readily available to the public and include,
but are not limited to, a standard interconnection request application,
application process, study process, applicable fees, and interconnection
agreement. (T)

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