



# People's Energy Cooperative

Your Touchstone Energy® Cooperative 

February 13, 2018

To: Board of Directors People's Energy Cooperative

From: Gary Fitterer  
People's Energy Cooperative  
1775 Lake Shady Avenue South  
Oronoco, MN 55960  
[gfitterer@peoplesrec.com](mailto:gfitterer@peoplesrec.com)

SUBJECT: Cogeneration and Small Power Production Tariff Report (Public)

Per Minnesota State Statutes and Cogeneration and Small Power Production rules adopted by the People's Energy Cooperative (PEC) Board of Directors, I am submitting the annual Cogeneration and Small Power Production Tariff Report. A public version of the report will be placed for viewing on the Cooperative's website after it has been reviewed and accepted by the Board of Directors.

Sincerely,

People's Energy Cooperative



Gary Fitterer  
Director of Engineering  
(507) 367-7000  
[gfitterer@peoplesrec.com](mailto:gfitterer@peoplesrec.com)

Attachment  
cc Elaine J. Garry

**Cogeneration and Small Power Production  
Schedule 1  
PEOPLE'S ENERGY COOPERATIVE**

**Calculation of the Average Retail Cooperative Energy Rate (ARCER)  
(For Consumers in Territory Acquired from Alliant Energy)**

Service Class: Residential (901R) Consumers on Schedules 160, 167, 168, 170, 310, 350

Total Class Revenue	\$ 5,742,662
Fixed Charges	\$ 626,273
Demand Charges	\$ 2,392
kWh Sales	49,358,023

$$\text{ARCER} = \frac{\text{TOTAL CLASS REVENUES} - \text{FIXED \& DEMAND CHARGES}}{\text{kWh SALES}}$$

Average Retail Cooperative Rate = \$ 0.10361 per kWh

Service Class: General Service (901) Consumers on Schedules 260, 267, 268, 290, 297, 298

Total Class Revenue	\$ 1,875,024
Fixed Charges	\$ 246,841
Demand Charges	\$ 512,604
kWh Sales	17,887,968

$$\text{ARCER} = \frac{\text{TOTAL CLASS REVENUES} - \text{FIXED \& DEMAND CHARGES}}{\text{kWh SALES}}$$

Average Retail Cooperative Rate = \$ 0.06236 per kWh

Service Class: Farm (901F) Consumers on Schedules 410, 420

Total Class Revenue	\$ 218,666
Fixed Charges	\$ 20,638
Demand Charges	\$ 17,864
kWh Sales	2,047,944

$$\text{ARCER} = \frac{\text{TOTAL CLASS REVENUES} - \text{FIXED \& DEMAND CHARGES}}{\text{kWh SALES}}$$

Average Retail Cooperative Rate = \$ 0.08797 per kWh

Service Class: Large Power & Lighting (901L) Consumers on Rates Schedules 360, 367, 368, 540

Total Class Revenue	\$ 3,362,087
Fixed Charges	\$ 118,042
Demand Charges	\$ 1,263,000
kWh Sales	37,858,177

$$\text{ARCER} = \frac{\text{TOTAL CLASS REVENUES} - \text{FIXED \& DEMAND CHARGES}}{\text{kWh SALES}}$$

Average Retail Cooperative Rate = \$ 0.05233 per kWh

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**PEOPLE'S ENERGY COOPERATIVE**

Minnesota 59 Olmsted  
Oronoco, Minnesota

**Schedule PG-1, PG-1B & PG-1C:** Cogeneration & Small Power Production: Net Energy Billing

**Effective:** This rate shall become effective with May 2018 energy use.

**Availability:** Available to all members where the member has qualified small power production or cogeneration facilities with capacity of less than 40 kW connected in parallel with the cooperative's facilities, receives non-time of day retail electric service, offsets energy delivered by the Cooperative, and did not select either the 'Time of Day Purchase' or 'Simultaneous Purchase & Sale Billing' rates. The member is required to execute an electric service agreement with People's Energy Cooperative.

**Service Characteristics:** Alternating current, 60 Hz, at available voltages.

**Adjustment of Rate**

This rate and all Cooperative rates are subject to change from time-to-time by action taken by the Cooperative's Board of Directors. This action can include changes to applicable charges and credits (energy purchases and other) that are identified as part of the rate currently in effect, or added in the future, and are allowable under Minnesota State Statute Section §216B.164.

**Basic Service Charge:** A monthly charge will be applied to the consumer to cover the Cooperative's ongoing costs associated with the cogeneration account as follows;

<b>PG-1:</b> Single-phase General Service	\$0 per month
<b>PG-1B:</b> Three-phase General Service	\$0 per month
<b>PG-1C:</b> Three-phase General Service/demand	\$0 per month

**Distribution Grid Access Fee:** A distribution grid access fee will be applied to all qualified small power or cogeneration facilities interconnected on or after May 1, 2016. The distribution grid access fee will be applied monthly as follows.

<u>Type of Service</u>	<u>kW in Excess of 3.5kW</u>	<u>Not to Exceed*</u>
Single-phase General Service	\$ 3.74 per kW	\$ 33.00
Three-phase General Service	\$ 3.75 per kW	\$ 83.00
Three-phase w/Demand Service	\$ 2.50 per kW	\$ 91.00

\*Where the Cost of Service Study determined value is greater than is possible to charge a system under 40kW the maximum possible charge is shown.

If a system that is installed before May 1, 2016 adds additional capacity, the additional capacity will be subject to the fee.

**Energy Rate:** The cooperative shall pay or credit the member monthly for all energy furnished during the month at the appropriate rate shown below. All applicable rates will be adjusted by the Power Cost Adjustment (PCA) when applicable. The rate selected shall be at the member's option and shall conform to the capacity rules established by the Minnesota Public Utility Commission. Members with qualified facilities with capacity of 40 kW to 100 kW will be moved to the 'Simultaneous Purchase & Sale Billing Rate' unless the member selects the 'Time of Day Purchase Rate'.

The cooperative shall pay the member as follows:

<u>Type of Service</u>	<u>Rate</u>
<b>PG-1:</b> General Service	\$0.11617 per kWh
<b>PG-1B:</b> Three-phase General Service	\$0.11253 per kWh
<b>PG-1C:</b> Three-phase General Service/demand	\$0.06687 per kWh

**Metering:** Separate metering will be required to measure energy delivered to the Cooperative.

**Interconnection Charges:** The costs of interconnecting a qualifying facility and any costs associated with subsequent necessary modifications are the responsibility of the consumer and the Cooperative will assess the consumer for all appropriate charges incurred by the Cooperative.

**Terms and Conditions of Service:** This rate is subject to the terms and conditions of the Cooperative's Electric Service Standards.

**PEOPLE'S ENERGY COOPERATIVE**

Minnesota 59 Olmsted  
Oronoco, Minnesota

**Schedule PG-1X:** Cogeneration & Small Power Production: Simultaneous Purchase and Sale Billing Service

**Effective:** This rate shall become effective with May 2018 energy use.

**Availability:** Available to all members where the member has qualified small power production or cogeneration facilities with capacity of less than 40 kW connected in parallel with the cooperative's facilities, receives non-time of day retail electric service, and do not select either the 'Net Energy Billing' or 'Time of Day Purchase' rates, and to members where the cogeneration facilities are a capacity of 40 kW to 100 kW and do not select the 'Time of Day Purchase' rate. The member is required to execute an electric service agreement with People's Energy Cooperative.

**Service Characteristics:** Alternating current, 60 Hz, at available voltages.

**Adjustment of Rate**

This rate and all Cooperative rates are subject to change from time-to-time by action taken by the Cooperative's Board of Directors. This action can include changes to applicable charges and credits (energy purchases and other) that are identified as part of the rate currently in effect, or added in the future, and are allowable under Minnesota State Statute Section §216B.164.

**Basic Service Charge:** A monthly charge will be applied to the consumer to cover the Cooperative's ongoing costs associated with the cogeneration account as follows;

<b>PG-1:</b> Single-phase General Service	\$0 per month
<b>PG-1B:</b> Three-phase General Service	\$0 per month
<b>PG-1C:</b> Three-phase General Service/demand	\$0 per month

**Energy Rate:** The cooperative shall pay or credit the member monthly for all energy furnished during the month at the appropriate rate shown below. All applicable rates will be adjusted by the Power Cost Adjustment (PCA) when applicable. The rate selected shall be at the member's option and shall conform to the capacity rules established by the Minnesota Public Utility Commission. Members with qualified facilities that exceed 100 kW may agree with the cooperative to execute this standard agreement with the 'Time of Day Rate' or the parties may agree that a negotiated agreement is more appropriate.

The cooperative shall pay the member as follows:

	<u>Rate</u>
Energy Payment per kWh	\$0.06951 per kWh
Capacity Payment for Firm Power per kWh	\$0.00000 per kWh

**Metering:** Separate metering will be required to measure energy delivered to the Cooperative.

**Interconnection Charges:** The costs of interconnecting a qualifying facility and any costs associated with subsequent necessary modifications are the responsibility of the consumer and the Cooperative will assess the consumer for all appropriate charges incurred by the Cooperative.

**Terms and Conditions of Service:** This rate is subject to the terms and conditions of the Cooperative's Electric Service Standards.

**PEOPLE'S ENERGY COOPERATIVE**

Minnesota 59 Olmsted  
Oronoco, Minnesota

**Schedule PG-1TOD:** Cogeneration & Small Power Production: Time of Day Purchase

**Effective:** This rate shall become effective with May 2018 energy use.

**Availability:** Available to all members where the member has qualified small power production or cogeneration facilities connected in parallel with the cooperative's facilities. Required for qualified facilities with capacity equal to or greater than 40 kW and less than or equal to 100 kW. 'Time of Day' rates are available with the mutual consent of the cooperative and the member for qualified facilities with capacity of less than 40 kW and with capacity greater than 100 kW when firm power is provided. The member is required to execute an electric service agreement with People's Energy Cooperative.

**Service Characteristics:** Alternating current, 60 Hz, at available voltages.

**Adjustment of Rate**

This rate and all Cooperative rates are subject to change from time-to-time by action taken by the Cooperative's Board of Directors. This action can include changes to applicable charges and credits (energy purchases and other) that are identified as part of the rate currently in effect, or added in the future, and are allowable under Minnesota State Statute Section §216B.164.

**Basic Service Charge:** A monthly charge will be applied to the consumer to cover the Cooperative's ongoing costs associated with the cogeneration account as follows;

<b>PG-1:</b> Single-phase General Service	\$0 per month
<b>PG-1B:</b> Three-phase General Service	\$0 per month
<b>PG-1C:</b> Three-phase General Service/demand	\$0 per month

**Energy Rate:** The cooperative shall pay or credit the member monthly for all energy furnished during the month at the appropriate rate shown below. All applicable rates will be adjusted by the Power Cost Adjustment (PCA) when applicable. The rate selected shall be at the member's option and shall conform to the capacity rules established by the Minnesota Public Utility Commission. Members with qualified facilities that exceed 100 kW may agree with the cooperative to execute this standard agreement with the 'Time of Day Rate', or the parties may agree that a negotiated agreement is more appropriate.

The cooperative shall pay the member as follows:

**Energy furnished on-peak\*\***

Summer season (Jun, Jul, Aug)	\$0.06206 per kWh
Winter season (Sep thru May)	\$0.04497 per kWh

**Energy furnished off-peak**

Summer season (Jun, Jul, Aug)	\$0.02968 per kWh
Winter season (Sep thru May)	\$0.02968 per kWh

Capacity Payment for Firm Power per kWh	\$0.00000 per kWh
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\*\* On-Peak Hours are 11:00 AM to 7:00PM Monday through Friday except on Independence Day, Christmas Day, and New Year's Day.

**Metering:** Separate metering will be required to measure energy delivered to the Cooperative.

**Interconnection Charges:** The costs of interconnecting a qualifying facility and any costs associated with subsequent necessary modifications are the responsibility of the consumer and the Cooperative will assess the consumer for all appropriate charges incurred by the Cooperative.

**Terms and Conditions of Service:** This rate is subject to the terms and conditions of the Cooperative's Electric Service Standards.



## PEOPLE'S ENERGY COOPERATIVE

Minnesota 59 Olmsted  
Oronoco, Minnesota

**Rider for Distributed Generation:** Effective February 2013 (Schedule A):

### APPLICATION

The Rider for Distributed Generation is applicable to any Customer taking service under one of the Cooperative's standard electric rate schedules and who has entered into an Electric Service Agreement with the Cooperative for the interconnection and operation of an on-site extended parallel distributed generation system as follows:

1. The distributed generation system must be an operable, permanently installed or mobile generation facility connected in parallel to the utility distribution system serving the customer receiving retail electric service at the same site.
2. The distributed generation system must be fueled by either natural gas, a renewable fuel, or another similarly clean fuel or combination of fuels.
3. The distributed generation system cannot have more than 10 MW of interconnected capacity at a point of common coupling to Cooperative's distribution system.
4. The interconnection and operation of the distributed generation system at each point of common coupling shall be considered as a separate application of the Rider.
5. All provisions of the applicable standard service schedule shall apply to distributed generation service under this Rider except as noted below.

In lieu of service under this Rider, Customer and Cooperative may pursue reasonable transactions outside the Rider; or Customer may take service, as applicable, under Cooperative's Rider for Parallel Generation as established under Minnesota Rules 7835 – Cogeneration and Small Power Production.

### DEFINITIONS

Customer is an entity receiving retail electric service from Cooperative at the same site as the distributed generation system.

Extended Parallel means the distributed generation system is designed to remain connected with the Cooperative's distribution system for an extended period of time.

Scheduled Maintenance service is energy, or energy and capacity, supplied by the Cooperative during scheduled maintenance of the Customer's non-utility source of electric energy supply (distributed generation system).

Unscheduled Outage service is energy, or energy and capacity, supplied by the Cooperative during unscheduled outages of the Customer's non-utility source of electric energy supply (distributed generation system).

All other definitions shall be as described in Cooperative's *Distributed Generation Interconnection Requirements* and *Interconnection Process for Distributed Generation Systems*.

## **CHARGES FOR SERVICE**

Services provided under this Rider may include services from the Cooperative to Customer and from Customer to Cooperative. The following rates, charges, credits and payments are applicable for such services in addition to all applicable charges for service being taken under Cooperative's standard rate schedule:

### **SERVICES FROM COOPERATIVE TO CUSTOMER**

A monthly service charge, equal to the service charge contained in the base tariff to which this Rider is attached, will be applied to this Rider to recover costs of administering this Rider.

#### Interconnection Services

Interconnection services include services such as engineering/design studies, Cooperative system upgrades and testing as further described in Cooperative's *Distributed Generation Interconnection Requirements and Interconnection Process for Distributed Generation Systems*. Charges for such interconnection services shall be as described in the Cooperative's *Distributed Generation Interconnection Requirements and Interconnection Process for Distributed Generation Systems*.

#### Supply Services

Supply services include standby services such as scheduled maintenance, unscheduled outages and supplemental service as provided under Cooperative's *Rider for Standby Service*.

#### Transmission Services

Transmission services include reservation and delivery of capacity and energy on either a firm or non-firm basis and those ancillary services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation over Transmission Providers' Transmission System. These ancillary services include services such as Scheduling, System Control and Dispatch Service, Reactive Supply and Voltage Control from Generation Sources, Regulation and Frequency Response, Generator Imbalance, Operating Reserve – Spinning Reserve and Operating Reserve – Supplemental Reserve. Transmission Services are provided as applicable under Cooperative's wholesale power supplier's approved Open Access Transmission Tariff (OATT).

#### Distribution Services

Distribution services include reservation and delivery of capacity and energy and those indirect services that are necessary to support the delivery of capacity and energy over Cooperative's distribution system. These indirect services include allocated support services or expenses such as operation and maintenance, customer accounts, customer service and information, administrative and general, depreciation, interest and taxes. Customers requiring contracted distribution standby service of more than 60 kW and/or delivery of energy and capacity over Cooperative's distribution system to a third party will be charged for such distribution services at a rate equal to the distribution charge specified in the Cooperative's *Rider for Standby Service*.

## **SERVICES FROM CUSTOMER TO COOPERATIVE**

### Capacity/Energy

Customer may sell all the energy produced by the distributed generation system to the Cooperative, use all the distributed generation energy to meet its own electrical requirements, or use a portion of the energy from the distributed generation system to meet its own electrical needs and sell the remaining energy to the Cooperative.

If the Customer offers to sell energy to the Cooperative, the energy and capacity will be purchased by the Cooperative's wholesale power supplier under the rates, terms and conditions for such purchases as established by the wholesale power supplier.

### Distribution Credits

A distribution credit may be given if the distributed generation system allows the Cooperative to defer or avoid distribution system upgrades. Distribution credits to the Customer should equal the Cooperative's avoided distribution costs resulting from the installation and operation of the distributed generation system. The Cooperative shall provide, upon Customer's written request, areas of the distribution system that could be likely candidates for distribution credits as determined through the Cooperative's normal planning process. The Cooperative shall also provide to the Customer the minimum size distributed generation system required in each of the areas to qualify for the distribution credit along with general operational requirements necessary for the distributed generation system to meet, so as to be able to receive distribution credits.

Upon receiving an interconnection application from the Customer for a distributed generation interconnection, along with a written request for distribution credits, the Cooperative will complete an initial screening study to determine if the project has the potential to receive distribution credits. The Customer shall be responsible for the cost of the screening study. If the Cooperative's study shows that there exists potential for distribution credit, the Cooperative shall, at its own expense, pursue further study to determine the distribution credit, as part of its annual distribution planning study. If the study cannot be incorporated as part of the Cooperative's annual distribution planning study, the study shall be pursued with Customer's approval at Customer's expense. If distribution credits are identified, the credits will be paid in conjunction with an agreement with the Customer to supply distribution support utilizing the Customer's generation system.

### Renewable Credits

If Customer installs a renewable distributed generation system and the Cooperative's wholesale power supplier's purchase of energy and capacity from such facility allows the wholesale power supplier to avoid the need to purchase renewable energy elsewhere, the purchase of such renewable energy and capacity will reflect the avoided cost of renewable purchases as provided under the wholesale power supplier's applicable rates, terms and conditions for such purchases.

### Tradable Emissions Credits

If the purchase of energy and capacity by the Cooperative's wholesale power supplier under the "must buy" provision described above results in the wholesale power supplier receiving an economic value associated with tradable emissions, the trade-able emissions credits will be provided to Customer under terms established by the wholesale power supplier that reflects the economic value of such emission credits received by the wholesale power supplier.

## **TERMS AND CONDITIONS OF SERVICE**

The following terms and conditions apply to this Rider:

1. The service hereunder is subject to Cooperative's *Interconnection Process for Distributed Generation Systems* and *Distributed Generation Interconnection Requirements* as may be modified from time-to-time.
2. The Cooperative will install all metering equipment necessary to monitor services provided, to ensure adequate measurements are obtained to support necessary application of rates, charges, credits and payments. Customer will be charged an up-front lump sum for the installed cost of such metering equipment and expected future operation and maintenance expenses for this metering equipment.
3. The Customer will be compensated monthly for all energy delivered to Cooperative's wholesale power supplier. The timing for these payments is subject to annual review.
4. The Customer shall make provision for on-site metering. All energy received from and delivered to the Cooperative shall be separately metered. The Cooperative may require metering of the generation output.
5. The Customer shall pay for all interconnection costs incurred by the Cooperative made necessary by the installation of the distributed generation system.
6. Power and energy purchased by the Customer from the Cooperative shall be under the applicable retail rates for the purchase of electricity.
7. The Cooperative reserves the right to disconnect the Customer's generator from its system if it interferes with the operation of the Cooperative's equipment or with the equipment of other Cooperative Customers.
8. The Customer shall execute an Electric Service Agreement with the Cooperative which may include, among other provisions, a minimum term of service.

## **BILLING AND TERMS OF PAYMENT**

Billing and terms of payment shall be governed as set forth in the Cooperative's applicable base rate schedule.

To the extent that the Cooperative receives service from the Customer under this Rider, payment for such services shall be netted against any charges for Cooperative-supplied services hereunder.

## PEOPLE'S ENERGY COOPERATIVE

Minnesota 59 Olmsted  
Oronoco, Minnesota

### Rider for Standby Service: Effective February 2014 (Schedule B)

#### APPLICATION

The Rider for Standby Service is required under the following provisions for any customer needing scheduled maintenance service or unscheduled outage service who is receiving electric service under one of the Cooperative's firm retail electric rate schedules and who has entered into a contract with the Cooperative for the interconnection and operation of an on-site extended parallel distributed generation system:

1. Contracts will be made for this service provided the Cooperative has sufficient capacity available in production, transmission and distribution facilities to provide such service at the location where the service is requested.
2. Power production equipment (distributed generation system) at the customer's site shall not operate in parallel with the Cooperative's system until the installation has been inspected by an authorized Cooperative representative and final written approval is received from the Cooperative to commence parallel operation.
3. The minimum term of service taken under this Rider shall be one (1) year or such longer period as may be required under an Electric Service Agreement. Following this initial one-year period, a customer receiving standby service may terminate standby service and establish service under a firm service tariff schedule within the same timeframe as would be required of a new customer with a similar firm service load. Such timeframe may be dependent on the Cooperative's ability to adjust its generation capability, including reserve margin, for the increased firm load due to customer's selection of firm service from the Cooperative.
4. Energy provided to the customer under this Rider is limited to energy used during a forced outage or planned maintenance of the customer's distributed generation system.

Exceptions to this Application include:

- A. Any customer taking service under the Cooperative's Rider for Parallel Generation as established under Minnesota Rules 7835 shall not be required to take service under this Rider for Standby Services required to temporarily back-up distributed generation systems rated at less than 40 kW;
- B. Any customer taking service under Cooperative's Rider for Distributed Generation Service shall not be required to take service under this Rider for Standby Services required to temporarily back-up distributed generation systems rated at 60 kW or less. However, the Cooperative reserves the right to limit the number of Distributed Generation customers receiving such an exception based on financial considerations; or
- C. Any customer, in lieu of service under this Rider, may provide physical assurance to ensure that standby service is not taken. A customer requesting physical assurance shall agree to furnish and install an approved load limiting device which shall be set and sealed by the Cooperative so that the customer's use of service will not exceed customer's contracted demand. The installed cost of the load-limiting device shall be paid by customer.

#### DEFINITIONS

Contracted Standby Demand is the quantity specified in Customer's Electric Service Agreement as the maximum amount of firm or non-firm standby service the Cooperative is obligated to supply.

Extended Parallel means the distributed generation system is designed to remain connected with the Cooperative's distribution system for an extended period of time.

Firm Service refers to a utility's most reliable, constant electric service. A utility would interrupt the supply of electricity to a firm service customer only as a last resort.

Non-Firm Service refers to electric service that a utility provides only to the extent that it has capacity not being used to meet the needs of firm-service customers at the moment.

Scheduled Maintenance service is energy, or energy and capacity, supplied by the Cooperative during scheduled maintenance of the customer's non-utility source of electric energy supply (distributed generation system).

Unscheduled Outage service is energy, or energy and capacity, supplied by the Cooperative during unscheduled outages of the customer's non-utility source of electric energy supply (distributed generation system).

All other definitions shall be as described in the Cooperative's *Distributed Generation Interconnection Requirements* and *Interconnection Process for Distributed Generation Systems*.

### **CHARGES FOR SERVICE**

The following Reservation and Usage Fees are applicable in addition to all charges for service being taken under the Cooperative's base rate schedule.

#### Reservation Fees

Charges as specified below for the reservation of firm or non-firm generation, transmission and distribution service per month per kW will each be applied to the customer's Contracted Standby Demand as specified in Customer's Electric Service Agreement with the Cooperative:

	Firm Service (\$ Per kW)	Non-Firm Service (\$ Per kW)
Generation	*	**
Transmission	*	**
Distribution	\$9.62	\$6.56

\* Firm standby service generation and transmission Reservation Fees will be billed under the rates, terms and conditions of the Cooperative's wholesale power supplier.

\*\* Non-firm standby service generation and transmission Reservation Fees will be billed under the rates, terms and conditions of the Cooperative's wholesale power supplier.

#### Usage Fees

##### Demand Charge:

If the customer registers electrical usage from the Cooperative during a billing month, such usage may result in demand charges which may vary between the customer contracting for Firm Standby Service or Non-Firm Standby Service.

If usage of a firm standby customer results in wholesale capacity charges to the Cooperative, the metered demand of such usage will be charged at the demand rate as contained in the base tariff to which this Rider is attached *minus* the applicable Reservation Fees paid by the customer during such billing month. The reduction in the base tariff billing demand will be provided up to the amount of Contracted Standby Demand. Any metered demand for the customer's electrical usage from the Cooperative that exceeds the Contracted Standby Demand level will be billed at the full demand rate specified in the base tariff. In addition, the customer's Contracted Standby Demand will be adjusted as specified in the Billing Demand clause of this Rider. If the customer registers electrical usage from the Cooperative during a billing month that also coincides with the Cooperative's wholesale power supplier's applicable billing peak, the additional demand charges may be applied by the Cooperative to ensure that the customer fully compensates the Cooperative for such wholesale power costs.

Power may not be available when needed for a non-firm standby customer. If power is available and usage of a non-firm standby customer results in wholesale capacity charges to the Cooperative, the metered demand of such usage will be charged at no less than the demand rate as contained in the base tariff to which this Rider is attached *minus* the applicable Reservation Fees paid by the customer during such billing month. Any higher demand charges for non-firm demand use will reflect higher wholesale demand costs incurred to provide such service. The reduction in the base tariff billing demand will be provided up to the amount of the Contracted Standby Demand. Any metered demand for the customer's electrical usage from the Cooperative, that exceeds the Contracted Standby Demand level, will be billed at the full demand rate specified in the base tariff. In addition, the customer's Contracted Standby Demand will be adjusted as specified in the Billing Demand clause of this Rider. If the customer registers electrical usage from the Cooperative during a billing month that also coincides with the Cooperative's wholesale power supplier's applicable billing peak, the additional demand charges may be applied by the Cooperative to ensure that the customer fully compensates the Cooperative for such wholesale power costs.

#### Energy Charge:

Energy actually used by a firm standby customer under this Rider will be charged at the same energy rate as contained in the base tariff to which this Rider is attached.

If energy is available for a non-firm standby customer, the energy actually used under this Rider will be charged at no less than the energy rate contained in the base tariff to which this Rider is attached. Any higher energy charges for non-firm energy use will reflect higher wholesale energy costs incurred to provide such energy.

#### Rate Adjustments:

Bills shall be subject to all adjustments applicable to the base schedule to which this Rider is attached.

### **BILLING DEMAND**

The customer shall contract for a specific kilo-Watt demand of standby service sufficient to meet the customer's requirements when the distributed generation system is not being operated. In the event the Contracted Standby Demand is exceeded in any month by a higher billing demand, such higher demand shall be considered as the new billing demand for the month. The billing demand for Reservation Fees thereafter shall not be less than the newly established billing demand for the remainder of the contract. Such adjustment of billing demand applicable to Reservation Fees will recognize circumstances where on-going firm service is being provided in addition to standby service.

### **STRANDED INVESTMENT**

Any customer who installs load-limiting equipment to ensure that standby service is not taken (physical assurance) and does not intend to deliver power into the distribution system will have the option of making a lump sum payment to the Cooperative for stranded distribution investment. If such lump sum payment is not made, the customer will be subject to distribution standby charges based on the customer's typical demands incurred prior to requesting physical assurance status.

### **BILLING AND TERMS OF PAYMENT**

Billing and terms of payment shall be governed as set forth in the Cooperative's applicable base rate schedule.

### **TERMS AND CONDITIONS OF SERVICE**

1. The customer shall execute an Electric Service Agreement with the Cooperative which shall specify:
  - a. Standard rate schedule (to which this Rider is attached);
  - b. Contracted Standby Demand;
  - c. Generator Nameplate Rating; and
  - d. Type of Standby Service (firm or non-firm).
2. Service hereunder is subject to the Cooperative's *Interconnection Process for Distributed Generation Systems* and *Distributed Generation Interconnection Requirements* as may be modified from time-to-time.

3. The Cooperative will install all metering equipment necessary to monitor services provided to ensure adequate measurements are obtained to support necessary application of charges. The customer will be charged an up-front lump sum fee for the installed cost of such metering equipment and expected future operation and maintenance expenses for this metering equipment.
4. The customer shall make provision for on-site metering. All energy received from and delivered to the Cooperative shall be separately metered. The Cooperative may require metering of the generation output.
5. The customer shall pay for all interconnection costs incurred by the Cooperative made necessary by the installation of the distributed generation system.
6. The Cooperative reserves the right to disconnect the customer's generator from its system if it interferes with the operation of the Cooperative's equipment or with the equipment of other Cooperative customers.
7. The Cooperative shall not be obligated to supply standby service for a customer's load in excess of the capacity for which the customer has contracted.
8. The customer shall be liable for all damages or costs caused by the customer's use of power in excess of contracted for capacity.
9. The Cooperative may require the customer to furnish and install an approved load limiting device which shall be set and sealed by the Cooperative so that the customer's use of service will not exceed the number of kilo-Watts contracted for by the customer.
10. The customer shall annually furnish documentation to the Cooperative confirming the maximum capacity and reliability of the power source for which the customer requires Standby Service.
11. The Cooperative and the customer will coordinate the planning and determining of a schedule for performance of periodic maintenance of the customer's facilities, such maintenance shall be scheduled to avoid wholesale power billing costs or as agreed upon in the contract. The Cooperative will require the customer to provide reasonable notice of its proposed schedule for maintenance. The duration of the agreed maintenance schedule may thereafter be extended only with the consent of the Cooperative in response to the customer's request received prior to the end of the maintenance period.
12. The Cooperative reserves the right to establish a minimum charge in order to recover the costs of facilities required to serve such load. Said charge shall be specified in the Electric Service Agreement.
13. The Cooperative may be reimbursed by the customer for costs which are incurred, or which have been previously incurred, in providing facilities which are used principally or exclusively in supplying service for any portion of the customer's requirements which are to be normally supplied from a source of power other than the Cooperative's electric system.
14. All electricity delivered shall be for the exclusive use of the customer and shall not be resold.
15. The customer shall indemnify the Cooperative against all liability which may result from any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the installation, maintenance, presence, or operation of the co-generation facility or by any related act or omission of the customer, its employees, agents, contractors or subcontractors.



**PEOPLE'S ENERGY COOPERATIVE**

Minnesota 59 Olmsted  
Oronoco, Minnesota

**Schedule 901: SMEC Cogeneration and Small Power Producers, Net Energy Billing Schedule**

**Service Area:** All Minnesota Service Areas Formerly Served by IPL

**Effective:** This rate shall become effective May 2018 energy use.

**Availability:** Applicable for net energy billing service to any consumer with a qualifying facility of less than 40 kW capacity receiving non-time of day electric service with metered energy only. Metered energy billed will be total energy metered as delivered by the Cooperative, less metered energy delivered to the Cooperative from the qualifying facility for the same billing period and at the same location. Service will be contracted for a minimum period of twelve months.

Consumers with qualifying facilities of less than 40 kW but more than 20 kW have the option of receiving service on the Purchase and Sale Billing Schedule, Rate Designation 902.

**Meter Charge:** \$1.75/month\* (For Single-Phase Service)

**Distribution Grid Access Fee:** A distribution grid access fee will be applied to all qualified small power or cogeneration facilities interconnected on or after May 1, 2016. The distribution grid access fee will be applied monthly as follows.

<u>Type of Service</u>	<u>kW in Excess of 3.5kW</u>	<u>Not to Exceed</u>
Single-phase General Service	\$ 3.74 per kW	\$ 33.00
Three-phase General Service	\$ 3.75 per kW	\$ 83.00
Three-phase w/Demand Service	\$ 2.50 per kW	\$ 91.00

\*Where the Cost of Service Study determined value is greater than is possible to charge a system under 40kW the maximum possible charge is shown.

If a system that is installed before May 1, 2016 adds additional capacity, the additional capacity will be subject to the fee.

**Energy Delivered to Consumer:** All kWh delivered by the Cooperative that is in excess of energy delivered to the Cooperative by the qualifying facility at the same location will be billed at the Cooperative's standard applicable rate.

**Energy Delivered to Cooperative:** For all kWh delivered to the Cooperative in excess of kWh delivered by the Cooperative, the Cooperative will pay the consumer the following amount for the respective class of service:

<u>Service Classification</u>	<u>Rate Schedule</u>	<u>Rate</u>
Residential (901R)	160, 167, 168, 170, 310, 350	\$0.10361 per kWh
General Service (901)	260, 267, 268, 290, 297, 298	\$0.06236 per kWh
Farm (901F)	410, 420	\$0.08797 per kWh
Large Power and Lighting (901L)	360, 367, 368, 540	\$0.05233 per kWh

\* For Comparison Only: Meter Charge \$0.05753 per day

**Power Cost Adjustment:** Rider PCA is applicable to energy payments from consumer.

**Metering:** Separate metering will be required to measure energy delivered to the Cooperative.

**Interconnection Charges:** The costs of interconnecting a qualifying facility and any costs associated with subsequent necessary modifications are the responsibility of the consumer and the Cooperative will assess the consumer for all appropriate charges incurred by the Cooperative.

**Rules and Regulations:** Service hereunder is subject to the provisions of the Cooperative's Electric Service Standards.

**PEOPLE'S ENERGY COOPERATIVE**

Minnesota 59 Olmsted  
Oronoco, Minnesota

**Schedule 902: SMEC Cogeneration and Small Power Producers, Purchase and Sale Billing Schedule**

**Service Area:** All Minnesota Service Areas Formerly Served by IPL

**Effective:** This rate shall become effective May 2017 energy use.

**Availability:** Applicable to any consumer with a qualifying facility of less than 40 kW capacity who receives service from the Cooperative on an appropriate standard non-time of day retail rate for electric service. Service will be contracted for a minimum period of twelve months.

**Meter Charge:** \$4.05/month\* (For Single-Phase Service)

**Power and/or Energy Delivered to Consumer:** Power and energy delivered to the consumer at the same location shall be billed on the appropriate retail rate schedule for the class of consumer served.

**Power and/or Energy Delivered to Cooperative:** For all power and energy delivered to the Cooperative, the Cooperative will pay the following rates:

All kWh of energy:	\$0.05080 per kWh
Firm Power Capacity Cost Component per kWh:	\$0.00920 per kWh

\* For Comparison Only: Meter Charge \$0.13315 per day

**Firm Power Definition:** To qualify as firm power delivery under this schedule, the consumer shall have supplied power to the Cooperative with not less than a 65 percent on-peak capacity factor. The on-peak capacity factor shall be determined as the average on-peak metered capacity (on-peak kW hours divided by on-peak hours) divided by the highest 15-minute metered on-peak kW capacity for the same period.

**Power Cost Adjustment:** Rider PCA is applicable to energy payments from consumer.

**Metering:** Separate metering will be required to measure power and/or energy delivered to the Cooperative.

**Interconnection Charges:** The costs of interconnecting a qualifying facility and any costs associated with subsequent necessary modifications are the responsibility of the consumer and the Cooperative will assess the consumer for all appropriate charges incurred by the Cooperative.

**Rules and Regulations:** Service hereunder is subject to the provisions of the Cooperative's Electric Service Standards.

**PEOPLE'S ENERGY COOPERATIVE**

Minnesota 59 Olmsted  
Oronoco, Minnesota

**Schedule 903: SMEC Cogeneration and Small Power Producers, Time of Day Purchase**

**Service Area:** All Minnesota Service Areas Formerly Served by IPL

**Effective:** This rate shall become effective May 2017 energy use.

**Availability:** Applicable to any qualifying facility with capacity of 40 kW or more and less than or equal to 100 kW and optional for qualifying facilities with capacity less than 40 kW. Time-of-day rates are optional for qualifying facilities with capacity greater than 100 kW if these qualifying facilities provide firm power. Service will be contracted for a minimum period of twelve months.

**Meter Charge:** \$6.25/month\* (For Single-Phase Service)

**Power and/or Energy Delivered to Consumer:** Power and energy delivered to the consumer at the same location shall be billed on the appropriate retail rate schedule for the class of consumer served.

**Power and/or Energy Delivered to Cooperative:** For all power and energy delivered by the consumer, the Cooperative shall pay the following rates-

On-peak** energy:	\$0.05510 per kWh
Off-peak energy:	\$0.04800 per kWh
Firm Power Capacity Cost Component per kWh:	\$0.02375 per on-peak kWh

\* For Comparison Only: Meter Charge \$0.20547 per day

\*\* On-Peak Hours are 11:00 AM to 7:00PM Monday through Friday except on Independence Day, Christmas Day, and New Year's Day.

**Firm Power Definition:** To qualify as firm power delivery under this schedule, the consumer shall have supplied power to the Cooperative with not less than a 65 percent on-peak capacity factor. The on-peak capacity factor shall be determined as the average on-peak metered capacity (on-peak kWh divided by on-peak hours) divided by the highest 15-minute metered on-peak kW capacity for the same period.

**Power Cost Adjustment:** Rider PCA is applicable to energy payments from consumer.

**Metering:** Separate metering will be required to measure power and/or energy delivered to the Cooperative.

**Interconnection Charges:** The costs of interconnecting a qualifying facility and any costs associated with subsequent necessary modifications are the responsibility of the consumer and the Cooperative will assess the consumer for all appropriate charges incurred by the Cooperative.

**Rules and Regulations:** Service hereunder is subject to the provisions of the Cooperative's Electric Service Standards.

**PEOPLE'S ENERGY COOPERATIVE**

Minnesota 59 Olmsted  
Oronoco, Minnesota

**Rider N: SMEC Non-Residential Renewable Energy Program**

**Service Area:** All Minnesota Service Areas Formerly Served by IPL

**Effective:** This rate shall become effective August 2015 energy use.

**Availability:** A voluntary program that supports the growth of renewable energy by allowing non-residential consumers to purchase energy from the Cooperative that is derived from renewable sources. The sales arrangements of renewable energy from the Renewable Energy program supplies are such that the power supply is only sold once to retail consumers. Initiation and termination of a consumer's participation shall be effective with the next practicable meter reading date after the Cooperative is notified by the consumer.

Consumers can choose any monthly dollar amount of participation in the program. This contribution toward the purchase of renewable energy will be added to the consumer's normal monthly bill.

**Power Cost:** Consumers will pay the Power Cost Adjustment (PCA) as calculated in Rider PCA on their monthly utility bills, but they will receive a billing adjustment for participating kWh purchases if the actual PCA on their monthly utility bills is greater than the fixed Second Nature PCA. The monthly kWh participation will be calculated by determining the monthly Renewable Energy contribution amount divided by a 2-cent per kWh premium for participation in the program. The billing adjustment will be applied after the end of each calendar year or after the last month of a consumer's participation in the program. The fixed Renewable Energy PCA will be recalculated on an annual basis with the most recent actual 12-month period of energy costs and applied in the first calendar month of each year.

**Cogeneration and Small Power Production  
Schedule 2  
PEOPLE'S ENERGY COOPERTIVE**

**Standard Contract Used**

People's Energy Cooperative uses the Uniform Statewide Contract for interconnected systems.

PEOPLE'S ENERGY COOPERATIVE

Agreement

For Cogeneration and Small Power Production Facilities

THIS CONTRACT is entered into \_\_\_\_\_, 20\_\_\_, by People's Energy Cooperative (hereafter called "Cooperative") and \_\_\_\_\_ (hereafter called "QF").

**RECITALS**

The QF has installed electric generating facilities, consisting of \_\_\_\_\_ (Description of facilities), rated at \_\_\_\_\_ kilowatts-AC of electricity, on property located at \_\_\_\_\_.

The QF is prepared to generate electricity in parallel with the Cooperative.

The QF's electric generating facilities meet the requirements of the rules adopted by the Cooperative on Cogeneration and Small Power Production and any technical standards for interconnection the Cooperative has established that are authorized by those rules.

The Cooperative is obligated under federal and Minnesota law to interconnect with the QF and to purchase electricity offered for sale by the QF.

A contract between the QF and the Cooperative is required.

**AGREEMENTS**

The QF and the Cooperative agree:

1. The Cooperative will sell electricity to the QF under the rate schedule in force for the class of customer to which the QF belongs.
2. The Cooperative will buy electricity from the QF under the appropriate rate schedule approved by the Cooperative. The QF elects the rate schedule category hereinafter indicated:

Applicable only to QF less than 40 kW.

- \_\_\_\_ a. Average retail cooperative energy rate.
- \_\_\_\_ b. Simultaneous purchase and sale billing rate.
- \_\_\_\_ c. Roll-over credits.

Applicable only to QF between 40 kW and 100 kW

\_\_\_ d. Time-of-day purchase rates.

A copy of the presently approved rate schedule is attached to this contract.

3. The rates for sales and purchases of electricity may change over the time this contract is in force, due to actions of the Cooperative, and the QF and the Cooperative agree that sales and purchases will be made under the rates in effect each month during the time this contract is in force.
4. The Cooperative will compute the charges and payments for purchases and sales for each billing period. Any net credit to the QF, other than kilowatt-hour credits under clause 2(d), will be made under one of the following options as chosen by the QF.

\_\_\_ a. Credit to the QF's account with the Cooperative.

\_\_\_ b. Paid by check or electronic payment service to the QF within 15 days of the billing date.

5. Renewable energy credits associated with generation from the facility are owned by:  
\_\_\_\_\_
6. The QF must operate its electric generating facilities within any rules, regulations, and policies adopted by the Cooperative.
7. The Cooperative's rules, regulations, and policies must conform to Minnesota Statute 216B.164 regarding Cogeneration and Small Power Production.
8. The QF will operate its electric generating facilities so that they conform to the national, state, and local electric and safety codes, and will be responsible for the costs of conformance.
9. The QF is responsible for the actual, reasonable costs of interconnection which are estimated to be \$ \_\_\_\_\_. The QF will pay the Cooperative in this way:  
\_\_\_\_\_  
\_\_\_\_\_



10. The QF will give the Cooperative reasonable access to its property and electric generating facilities if the configuration of those facilities does not permit disconnection or testing from the Cooperative's side of the interconnection. If the Cooperative enters the QF's property, the Cooperative will remain responsible for its personnel.

11. The Cooperative may stop providing electricity to the QF during a system emergency. The Cooperative will not discriminate against the QF when it stops providing electricity or when it resumes providing electricity.

12. The Cooperative may stop purchasing electricity from the QF when necessary for the Cooperative to construct, install, maintain, repair, replace, remove, investigate, or inspect any equipment or facilities within its electric system. The Cooperative will notify the QF before it stops purchasing electricity in this way:

The Cooperative will attempt to call or physically visit the site to inform the member. During an emergency situation, notification will be made after the disconnection has been performed.

13. The QF will keep in force general liability insurance, from a qualified insurance agency with a B+ or better rating by "Best", against personal or property damage due to the installation, interconnection, and operation of its electric generating facilities. The amount of insurance coverage will be \$ \_\_\_\_\_.

14. The QF and Cooperative agrees to attempt to resolve all disputes arising hereunder promptly, equitably and in a good faith manner.

15. In the event a dispute arises under this contract, refer to dispute resolution process in Cooperative Rules Implementing Minnesota Statute §216B.164.

16. This contract becomes effective as soon as it is signed by the QF and the Cooperative. This contract will remain in force until either the QF or the Cooperative gives written notice to the other that the contract is canceled. This contract will be canceled 30 days after notice is given.

17. Neither the QF or the Cooperative will be considered in default as to any obligation if the QF or the Cooperative is prevented from fulfilling the obligation due to an event of Force Majeure. However, the QF or Cooperative whose performance under this contract is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations.

18. This contract can only be amended or modified by mutual agreement in writing signed by the QF and the Cooperative.

19. The QF shall not assign its rights nor delegate its duties under the contract without the Cooperative's written consent. The Cooperative shall not unreasonably withhold its consent to the QF's proposed assignment of the contract.
20. The QF and the Cooperative shall at all times indemnify, defend, and save each other harmless from any and all damages, losses, claims, including claims and actions relating to injury or death of any person or damage to property, costs and expenses, reasonable attorneys' fees and court costs, arising out of or resulting from the QF's or the Cooperative's performance of its obligations under this agreement, except to the extent that such damages, losses or claims were caused by the negligence or intentional acts of the QF or the Cooperative.
21. The QF's and the Cooperative's liability to each other for failure to perform its obligations under this contract shall be limited to the amount of direct damage actually occurred. In no event, shall the QF or the Cooperative be liable to each other for any punitive, incidental, indirect, special, or consequential damages of any kind whatsoever, including for loss of business opportunity or profits, regardless of whether such damages were foreseen.
22. The Cooperative does not give any warranty, expressed or implied, to the adequacy, safety, or other characteristics of the QF's interconnected system.

THE QF AND THE COOPERATIVE HAVE READ THIS CONTRACT AND AGREE TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY HAVE EACH SIGNED THIS CONTRACT BELOW ON THE DATE WRITTEN AT THE BEGINNING OF THIS CONTRACT.

**QF**

By: \_\_\_\_\_

Member: \_\_\_\_\_

Date: \_\_\_\_\_

**Cooperative**

By: \_\_\_\_\_

President & CEO \_\_\_\_\_

Date: \_\_\_\_\_

**Cogeneration and Small Power Production  
Schedule 2  
PEOPLE'S ENERGY COOPERTIVE**

People's Energy Cooperative (PEC) plans to modify the Grid Access Charge (GAC) on its current net metering rate schedule. The calculation is based on the MREA Grid Access Charge Worksheet version 2.0. This level of the worksheet was modified to comply with the MNPUC order. Inputs to the worksheet are from People's Energy Cooperative's 2012 Cost of Service Study (COSS), which is its most recent COSS.

**D. Distributed Generation (DG) Grid Access Charge**

1. For all distributed generation systems interconnected after May 1, 2016, the cooperative will bill the customer a Distributed Generation (DG) Grid Access Charge. The DG Grid Access Charge will be based on the cooperative's fixed costs not already paid for by the customer. The cooperative will use its most recent Cost of Service Study to develop the DG Grid Access Charge on an annual basis.

2. Beginning May 1, 2018, the Distributed Generation (DG) Grid Access Charge will be based on the type of service provided: single-phase general, three-phase general, or three-phase with a demand charge. Charges will be applied to each DG system as follows.

	kW in Excess of 3.5kW	Not to Exceed
Single-Phase General	\$ 3.74 per kW	\$ 33.00
Three-Phase General	\$ 3.75 per kW	\$ 83.00
Three-Phase w/Demand	\$ 2.50 per kW	\$ 91.00

\*\*For example, a 10KW DG system interconnected at a would be billed a monthly DG Grid Access Charge of \$24.31/month. 10KW nameplate capacity system – first 3.5KW of nameplate capacity=6.5KW and 6.5KW times \$3.74/KW = \$24.31

The calculation of the DG Grid Access Charge is included on the following page as part of this trade secret filing.

3. The cooperative is given the authority to recover the costs of service through MN State Statute 216B.164, Subd. 3: Purchases; small facilities.

4. People's Energy Cooperative will use multiple methods to notify the cooperative members and the general public, of the DG Grid Access Charge change prior to May 1, 2018. Methods include a press release on the DG Grid Access Charge, a posting on the Cooperative Website, a bill insert, a Cooperative Newsletter article and letters to current and pending DG systems members and to installers.

**Cogeneration and Small Power Production**  
**Schedule 3**  
**PEOPLE'S ENERGY COOPERTIVE**

For safety of the Qualifying Facility (QF), the general public, and its field personnel People's Energy Cooperative requires a Qualifying Facility (QF) to meet the standards of the National Electric Code, National Electric Safety Code, and other applicable state and local codes, as well as the interconnection standards of the Cooperative. Those standards are included in the attached document entitled Small Power Production Facility or Cogeneration Facility Terms and Conditions.

# Small Power Production Facility or Cogeneration Facility

## Terms and Conditions

### 1.0 Requirements for Interconnection:

- 1.1 **Cooperative Membership:** Any Individual, or corporation, or partnership wishing to interconnect with the Cooperative's electric system shall become a Member of the Cooperative in accordance with the Bylaws of the Cooperative.
- 1.2 **Member Service Agreement:** The owner of a QF wishing to interconnect with the Cooperative's system will be required to sign a Member Service Agreement. The Agreement commits the Cooperative and the Member to operation under the terms and conditions of the Agreement.
- 1.3 **Application for Interconnection:** The Cooperative requires that all QF's file an Application for Interconnection not less than 30, nor more than 90 days, prior to the proposed date of an interconnection. The Application includes the Cooperative's Requirements for Interconnection. All QF's are required to abide by the requirements as stated and provide the Cooperative with the following information:
  - A. Technical specifications of all power production and interconnection equipment.
  - B. Proposed date of interconnection.
  - C. Projected net output or consumption by the QF.

The Cooperative shall accept or reject the Application for Interconnection within 30 working days. Acceptance depends on the accuracy of information provided on the Application and on the QF's proposed compliance with the National Electrical Code, the National Electrical Safety Code, the Cooperative's Service Rules and Regulations, and other local codes which apply to cogeneration and small power production facilities. If, in the Cooperative's opinion, the proposed facility does not qualify, the Cooperative will provide the Member with a written explanation. Acceptance of the Application shall not be construed as permission to interconnect with the Cooperative's system.

- 1.4 **Inspection:** An Inspections Certificate issued by the state electrical inspector having jurisdiction in the QF's area is required to assure wiring complies with the National Electrical Code, National Electrical Safety Code, and other applicable local electrical codes.

An Inspection Certificate issued by the local governing agency is required to assure compliance with building codes and environmental rules and regulations where applicable.

- 1.5 **Interconnection Costs:** The Member shall reimburse the Cooperative for its incremental cost resulting from interconnecting with the QF. The incremental interconnection cost shall include all reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, and administrative costs incurred by the Cooperative directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operations with the QF, to the extent such costs are in excess of the corresponding costs which the Cooperative would have incurred had it not interconnected.

- 1.6 **Interconnection:** Interconnection is permitted only after all of the requirements stated in Sections 1.0 and 2.0 are met and only after written authorization to interconnect is issued by the Cooperative. This authorization cannot be issued until all interconnection costs are paid and does not relieve the member from the responsibility of installing, operating, and maintaining the facilities in a responsible and safe manner.

If, in the opinion of the Cooperative, the Member fails to abide by the terms and conditions of the Member Service Agreement, including subsequent operation of his generating facilities in a non-qualifying manner, the Cooperative will no longer be obligated to operate in parallel and purchase any capacity and energy made available and may notify the Member to disconnect the generating facilities from the Cooperative's system. In the event the Member fails to immediately comply with a disconnect notice, the Cooperative reserves the right to make such disconnection including the discontinuation of electric service if necessary.

- 1.7 **Cooperative Access:** Employees and authorized representatives of the Cooperative have the right to enter upon the Member's property at any reasonable time to ensure continued compliance with the Cooperative's Safety and Operating Standards and the accuracy of its meters. Such inspection by the Cooperative shall not relieve the Member from the responsibility of installing, operating, and maintaining the facilities in a responsible and safe manner.

- 1.8 **Automatic Shutdown and Disconnection:** In order to provide adequate safety to the Cooperative's employees when performing certain operation and maintenance on the Cooperative's system it is essential that a means be available to automatically shut down and/or disconnect the QF from the system upon interruption of the utility source voltage such that there is no possibility that the QF could back-feed through the service transformer and energize the primary system. The Member shall furnish and install an Underwriter's Laboratory (UL) listed manual disconnect switch which shall be located between the Member's QF and the Cooperative's system and readily accessible by Cooperative personnel. The location of the switch shall be approved by the Cooperative and shall be housed in an approved enclosure which can be secured with a padlock or locking device. Where feasible and with mutual consent, the Cooperative may permit the use of a service transformer disconnect in place of the Member furnished disconnect switch.

## 2.0 **Safety and Operating Standards:**

Safety and Operating Standards under which the Cooperative operates are imposed to protect Cooperative employees and the general public and are intended to guarantee a quality of service to the consumer members. All QF's must operate in a manner that will ensure the safety of the employees and the general public and must allow electric service to other consumers to remain within prescribed limits.

- 2.1 **Isolation of Qualifying Facility:** The Cooperative reserves the right to open the disconnect switch (isolating the Member's QF) without prior notice for any of the following reasons:

- A. A system emergency and/or maintenance operations require such action.
- B. A potentially hazardous condition relating to the QF is discovered.
- C. The operation of the QF interferes with the quality of service provided to other Members and/or the operation of the Cooperative's system.

- 2.2 **Disclaimer:** The Cooperative does not assume any responsibility for the safety and electrical protection of the Member's facilities irrespective of the condition of the Cooperative's facilities. The Cooperative shall not be liable to the Member for any damage to the Member's facility, including damage caused by disconnection of the

QF from the Cooperative's system by automatic or manual devices or pursuant to the Safety and Operating Standards.

- 2.3 **Single Phase Limitations:** The rated capacity of the QF to be connected in parallel with a low voltage service shall be no greater than 20 KW for single phase installations, unless authorized in writing by the Cooperative consistent with the Cooperative's limitation for single phase motors. Single phase installations greater than 20KW will be permitted if engineering calculations indicate that the installation will not adversely affect the operational characteristics of the Cooperative's system.
- 2.4 **Quality of Service:** Operation of the QF must not cause any reduction in the quality of service provided to other consumers nor interfere with the operation of the Cooperative's system. The Member shall be responsible for taking whatever corrective action might be required and/or reimbursing the Cooperative for the cost of corrective action which it deems necessary to restore service to prescribed limits.
- 2.5 **Electrical Characteristics:** The electrical characteristics of the QF shall conform with standards established by the Cooperative. The standards may include voltage, current, frequency, harmonics, and automatic synchronization, etc. Wherever possible, the Cooperative will base its standards on industry wide standards.
- 2.6 **Power Factor:** The Member shall endeavor to operate the QF as near unity power factor as possible. For QF's with rated capacity above 50KW, the Cooperative reserves the right to require the Member to install power factor correction equipment or reimburse the Cooperative for its cost of installing power factor correction equipment.

### 3.0 **Metering:**

The Cooperative will meter the QF to obtain billing data and to fulfill its reporting requirements.

- 3.1 **Required Metering:** Two meters are required. One meter will be installed in such a manner that it records only the energy sold by the Cooperative to the QF. The second meter will be installed in such a manner that it records only the energy sold by the QF to the Cooperative. The QF shall pay for the requisite metering as an interconnection cost. In addition to required metering, the Cooperative, at its option but with the consent of the QF, may install additional metering equipment for the collection of data for research



purposes. The Cooperative will furnish such research metering equipment and pay all associated operation and maintenance.

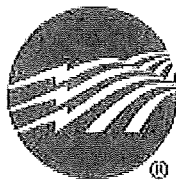
- 3.2 **Meter Reading:** The meters shall be read monthly, at the same time and in the same manner as prescribed for other Members of the Cooperative in the same consumer classification. Monthly meter readings are required from all consumer classifications. Metering records shall be available for inspection at all reasonable times.

4.0 **Service Condition:**


The furnishing and taking of service hereunder shall be subjected to the Service Rules and Regulations of the Cooperative. Such Service Rules and Regulations are subject to change from time to time by superseding schedules as published by the Cooperative.

5.0 **Insurance:**

The Member, at his sole cost and expense, shall obtain and maintain an insurance policy that provides liability insurance covering the operation of the QF and its associated equipment of not less than \$ 300,000. In addition, it is the Member's responsibility to consider that the liabilities of operating a QF may exceed \$ 300,000, so adequate coverage should be obtained to protect the Member's possible exposure to liability claims. Said policy shall include the Cooperative as an additional insured. Satisfactory evidence of such insurance shall be provided to the Cooperative before the QF will be allowed to operate with the disconnect switch in the closed position. The Member shall notify the Cooperative of any policy changes and of the periodic policy renewals.



**People's Energy Cooperative**

Your Touchstone Energy<sup>®</sup> Cooperative 

**Cogeneration and Small Power Production  
Schedule 4  
PEOPLE'S ENERGY COOPERTIVE**

People's Energy Cooperative may stop purchasing electricity from the Qualifying Facility (QF) when necessary for the Cooperative to construct, install, maintain, repair, replace, remove, investigate, or inspect any equipment or facilities within its electric system. The Cooperative will notify the QF before it stops purchasing electricity in this way:

The Cooperative will attempt to call or physically visit the site to inform the member. During an emergency situation, notification will be made after the disconnection has been performed.

**Cogeneration and Small Power Production  
Schedule 5  
PEOPLE'S ENERGY COOPERTIVE**

**Calculation of Simultaneous Purchase and Sales, and Time of Use Rates  
(For Consumers in Territory Acquired from Alliant Energy)**

(Contains Information Considered Trade Secret)

**Cogeneration and Small Power Production  
Schedule 5  
PEOPLE'S ENERGY COOPERTIVE**

**Wholesale Capacity and Energy from Dairyland Power Cooperative  
(For Consumers in People's Legacy Service Territory)**

(Contains Information Considered Trade Secret)