

Northern Lights, Inc.

Member Service Policy # 106

Subject: Interconnection Standard for Small Power Producers

Date Approved: October 29, 2001

OBJECTIVE:

- A. To permit members to operate generating equipment of 25 kVa or less in parallel with Northern Lights' electrical system as long as there are no adverse affects to the operation of NLI's electrical system, to the safety of the general public, or to NLI employees.
- B. To ensure that the NLI membership will not subsidize any member's generating system (e.g., through the rates paid for the generation, the cost of the equipment and labor required to interconnect the generating system with NLI's electrical system, or the cost of metering the generating system).

POLICY: It shall be the policy of the Cooperative:

- A. That Northern Lights, Inc. shall purchase energy delivered to NLI's system from member-owned generation that meets NLI's requirements for interconnection. All energy delivered to NLI's system shall be metered for periods that correspond to NLI's monthly billing periods. After each NLI billing period, an amount equal to the quantity of energy delivered to NLI's system measured in kilowatt-hours multiplied by NLI's avoided cost per kilowatt hour shall be credited on the member's next billing from NLI. Credit balances shall be paid annually to the member by NLI. The member is responsible for paying NLI's billings each month.
- B. That the energy supplied to NLI will be purchased by NLI at avoided cost. The avoided cost is defined as the forecasted annual rate per kWh for power purchased by NLI. The avoided cost shall be calculated each calendar year.
- C. That for the safety of NLI personnel and the general public, no generation will be paralleled with NLI's electric system without prior knowledge and approval of NLI. A parallel system is defined as one in which the member's generation can be connected to a bus common with NLI's electrical system. With

parallel operation, the parallel generator will be considered part of NLI's electrical system.

- D. That a member shall notify NLI of their desire to install generation. The notification shall include:
- a listing of the electrical parameters associated with the generator power conditioning equipment,
 - a description of the protective functions of the facility, including hardware,
 - a range of the protective device settings, and
 - the maximum power rating and expected kWh production from the generator.

To help NLI prepare load curves, any information on the expected use of the generator and patterns of seasonal availability shall be provided.

- E. That NLI will supply a cost estimate of the required modifications or additions to the distribution system that are necessary to interconnect the member-owned generation. The member must pay this estimated cost to NLI before the interconnection work is started. If the final costs of the project exceed the original estimate, the member will be billed for the difference. If the final cost is less than the original estimate, NLI will refund the difference to the member.
- F. That the member will provide a generation system that is self-protected from normal, abnormal, and system emergency conditions, and that will have a disconnect switch on the generator side of the meter that is accessible to, and able to be padlocked by, NLI. The member shall carry adequate liability insurance to protect against damage to other members owing to operation of the generation equipment. NLI will be absolved from any liability for damages to the member's generation facility.
- G. That the member may be required to install a phone line to the meter point for the purpose of remotely acquiring metering data either when the generation is connected to NLI's system or at a future date when this method of collecting metering data is required. The cost of the communication equipment and phone line are the responsibility of the member.
- H. That NLI shall not be responsible for loss of revenues or any costs incurred because NLI's system is unable to take delivery of the generation.

- I. That NLI reserves the right to isolate any existing generation or to refuse to interconnect new generation when it is in the best interest of the Cooperative to do so.
- J. That NLI shall comply with laws relative to the interconnection of generation projects larger than the 25 kW class.

RESPONSIBILITY:

- A. Board of Directors
 - 1. To review this policy.
- B. General Manager
 - 1. Develop Administrative Bulletins to administer this policy.

This policy supersedes any existing policy that may be in conflict with the provisions of this policy.

Adoption & Revision History:

Adopted by Board:	October 29, 2001
Revised:	May 22, 2006
	September 22, 2008
	June 27, 2011
	November 28, 2011