

POLICY NUMBER:	314	EFFECTIVE DATE:	October 1985
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SUBJECT: Cogeneration from cogenerators and small power producers.

OBJECTIVE: To comply with state and federal laws governing the interconnections with and purchase of electricity from cogenerators and small power producers.

To establish the qualification criteria and application procedure for all customers for the delivery and purchase of renewable energy from small customer-owned renewable generation facilities located on the cooperative's distribution system that have a capacity less than 40 kW.

POLICY: The Cooperative recognizes its responsibility for the use of renewable energy resources and thereby will make every effort to comply with all state laws in Minnesota and Iowa and any applicable Federal laws on the subject.

ELIGIBILITY: All customers are eligible for the MN Renewable Energy Rate Under 40 kW provided the following stipulations are satisfied.

1. The customer must complete the steps set out in the Minnesota Interconnection Process for Distribution that will be provided to the customer by Federated Rural Electric Association.
2. The total generator nameplate capacity of the generator must be less than 40 kW for a single site and the equipment shall be listed by a recognized testing laboratory.
3. In keeping with the intent of the Minnesota Net Energy Billing statute 216B.164, eligible distributed generation systems shall be installed where the primary purpose of the generator is to offset existing energy use at an established electric service account.
4. The established electrical account is defined as the primary residence or pre-existing/active account that has been in good standing with the Cooperative for a minimum of six months. The site must maintain consistent energy use throughout the year, and have an average annual use of 6,000 kWh or greater.
5. Under Minnesota statute 216B.164, stand alone cogeneration systems are not eligible for net billing but may receive compensation under the prevailing avoided cost based rates from Great River Energy.
6. The customer shall be responsible for all interconnection, metering, and other costs associated with the small renewable energy generation in order to meet the requirements of this rate and to connect to the distribution system.

7. The facilities owner must provide proof of coverage of liability insurance annually in the amount of \$300,000 as condition of service.
8. The owner of the renewable generation shall hold Federated Rural Electric Association harmless from any liability arising out of the operation of the renewable generator.
9. The small renewable energy generation must be owned by the customer and be directly connected to the Cooperative's distribution system.
10. All other criteria of the Minnesota Renewable Energy Rate under 40 kW must be met.

#### NET ENERGY BILLING RATE:

The net energy billing rate is available only to qualifying facilities with a capacity of less than 40 kW.

The Cooperative will bill the customer for the excess of energy supplied by Federated Rural Electric Association above energy supplied by the customer during each billing period according to the applicable retail rate schedule for the customer.

If at any demand interval during the month the produced demand equals or is greater than 40 kW the facility does not qualify for this net billing rate and will be paid on the GRE avoided costs schedule.

Any customer receiving the Net Energy Billing Rate will not be eligible for any load management discounts.

The cooperative will own and have full rights to all renewable energy attributes relative to the purchase of this energy.

Any payments to the customer associated with the renewable energy purchases under this rate shall not be considered in determining the customer's patronage allocation.

Payment for the purchase of renewable energy shall be in the form of a credit on the customer's monthly power bill or paid by check to the customer within 15 days of the billing date, whichever is specified in the Uniform Statewide Contract for Cogeneration or Small Power Production Facilities by the customer.

In the event of a metering malfunction, it will be assumed that no customer-owned renewable energy was provided to the electrical grid during the period of equipment failure, unless the consumer can provide metered delivery data.

RESPONSIBILITY:

It shall be the responsibility of the General Manager to implement this policy. The Management of Federated Rural Electric Association supports member owned renewable energy projects and will adhere to the net metering stipulation set forth by Minnesota Public Utilities Commission for those projects with a capacity less than 40 kW.

Amended and Approved:
Date: 11/21/85 By: Board Action
Date: 10/03/11 By: Board Action
Date: By: