

**INTERCONNECTION OF GENERATION RESOURCES
SMALL CUSTOMER GENERATION (25 kW or less)**

VIII-E-1

I. OBJECTIVE

Beartooth Electric Cooperative (the Cooperative) recognizes that their members may want to take advantage of alternative on-site generation sources. This policy outlines the means and requirements for interconnection of this generation with Beartooth Electric Cooperative's distribution lines. While this policy primarily assesses interconnection options, it is recognized that a member may generate without interconnecting to the Beartooth Electric Cooperative's lines.

II. POLICY

A. AVAILABILITY AND REQUIREMENTS

When a member desires to interconnect to the Cooperative's grid the following minimal requirements must be met:

1. A signed interconnection agreement outlining specific terms and conditions with the Cooperative is required.
2. The generation source shall be renewable including but not limited to wind, solar, geothermal, hydro or fuel cells.

B. NET METERING PROGRAM

Net Metering is defined as the interconnection of member-generation from a renewable source to Cooperative facilities, in which the generation output of energy not used at the service is netted against the energy delivered by the Cooperative within the following guidelines:

1. Name-plate generating capacity shall not exceed 25 kW.
2. Member-generation is intended primarily to offset part or all of the member's own electrical requirements at the service.
3. Costs associated with interconnecting or administering net metering systems are the responsibility of the member-generator.
4. A standard non-detent meter may be allowed to turn the direction the power flows. Two detent meters may be required if needed for automated meter reading systems.
5. Charges for energy delivered by the Cooperative in excess of the energy flowed back onto the system by the member-generator shall be billed monthly at a retail rate
6. Monthly net metering facilities charges will be assessed for Cooperative costs and expenses including distribution and transmission costs and expenses.

7. Net electricity produced or consumed during the billing period shall be measured, in accordance with normal metering practices.
8. If the electricity supplied by the electricity supplier exceeds the electricity generated by the member-generator and fed back to the electricity supplier during the billing period, the member-generator must be billed for the net electricity supplied by the Cooperative, in accordance with normal metering practices.
9. If electricity generated by the member-generator exceeds the electricity supplied by the Cooperative, the member-generator must be:
 - a. billed for the appropriate customer charges for that billing period; and
 - b. credited for the excess kilowatt hours generated during the billing period, with this kilowatt-hour credit appearing on the bill for the following billing period.
 - c. For Montana members, on January 1, April 1, July 1, or October 1 of each year, as designated by the member-generator as the beginning date of a 12-month billing period, any remaining unused kilowatt-hour credit accumulated during the previous 12 months must be granted to the Cooperative, without any compensation to the member-generator. For Wyoming members, on January 1, April 1, July 1, or October 1 of each year, as designated by the member-generator as the beginning date of a 12-month billing period, any remaining unused kilowatt-hour credit accumulated during the previous 12 months shall be sold to the Cooperative at the average energy rate for winter and summer non-firm avoided costs for the applicable calendar year as shown in Rate Schedule R.
10. The Cooperative recommends that a visual disconnect be installed at the metering point to give a means of visual open that can be locked during Cooperative outage or its convenience. This visual disconnect will also give the consumer the necessary protection to isolate their equipment from the Cooperative facilities. *Wyoming Consumers are required, per Wyoming State Law, to install a visual disconnect.*
11. The Cooperative will inspect the installation prior to energizing and any deficiencies noted by the inspection should be corrected prior to energizing. This inspection will not relieve the Member of any liability. The Cooperative reserves the right to inspect the installation at any future time to ensure correct operating parameters.
12. The Member's system shall be equipped and constructed such that it will automatically disconnect from a de-energized or faulted utility line. The protective requirements are intended to achieve the following:

- Insure safety of the general public, personnel and Cooperative personnel.
- Minimize damage to property of the general public, the Cooperative and its consumers.
- Minimize adverse operating conditions.

To achieve these objectives, certain power protective equipment (invertors, relays, circuit breakers, etc.) must be installed. These devices insure that faults or other abnormalities initiate prompt and appropriate disconnection of the Project from the Cooperatives system. Protective equipment requirements depend upon the plan of service.

Approved:	August 13, 2004
Amended:	September 9, 2005
	November 14, 2008
	May 27, 2009 (include 25kW limit and avoided cost pmt on excess for WY)
	July 29, 2009 (include 25 kW for all members alike)
	January 27, 2010 (include VIII-E-1 (B) (10) – Wyoming visual disc.)
Reviewed:	

INTERCONNECTION AND DIRECT ENERGY PURCHASE OF CUSTOMER GENERATION FACILITIES__VIII-E-2

I. OBJECTIVE

Beartooth Electric Cooperative recognizes that their members may want to take advantage of alternative on-site generation sources. This policy outlines the means and requirements for interconnection and direct energy purchase of this generation with the Rural Electric distribution lines. While this policy primarily assesses interconnection options, it is recognized that a member may generate without interconnecting to the Cooperative lines.

II. POLICY

A. AVAILABILITY AND REQUIREMENTS

When a member desires to interconnect to the Cooperative's grid the following requirements must be met:

1. An interconnection and operating agreement outlining specific terms and conditions with the Cooperative is required.
2. If larger than 25 kW, the Generation source proposal may be required to undergo an engineering study for interconnection feasibility, required upgrades of the transmission and/or distribution system and associated costs to be billed to the member-generator.
3. Generation output for direct purchase may be required to meet the definition of "Qualifying Facility" (QF) as defined in the Public Utilities Regulatory Policy Act of 1978 (PURPA) and provided PURPA continues to be enforceable under federal law.
4. Beartooth Electric Cooperative may have limited ability to purchase energy output.

B. INTERCONNECTION OUTPUT PURCHASES

1. Member-generation, meeting PURPA's definition of "qualifying facilities" and produced for sale to the Cooperative is the interconnection of member-generation from a renewable or other QF source to Cooperative facilities. A qualifying facility "QF" is generally defined as generation utilizing a renewable source or from cogeneration when energy that would otherwise be wasted is harnessed to generate electricity. QF is specifically defined by FERC Orders No. 70-70E, Order 499-499-A, Orders No. 575-575A and Order No. 593.
2. Output purchases from non-QF sources may also be considered, depending upon type of resource, location, price, transmission and distribution system impacts and other factors.

C. PURCHASE INTERCONNECTIONS GUIDELINES

Purchase interconnections shall be within the following guidelines:

1. The generation may be stand-alone or may provide part or all of the member's own electrical requirements at the service.
2. Metering is required that is appropriate to measure power flow in both directions and is capable of meeting requirements established by the engineering study.
3. Charges for power delivered by the Cooperative shall be billed monthly at the appropriate retail rate. Power sold to the cooperative by the member generator will be purchased at the Cooperative's avoided cost.
4. Monthly facilities charges will be assessed for distribution and transmission services.
5. The member-generator will be required to sign an interconnection agreement with the Cooperative.
6. Interconnection agreements must be consistent with the Cooperative's all requirements wholesale power contracts and policies.
7. An advance payment by the member-generator for engineering studies may be required, at the discretion of the Cooperative. Any engineering studies must be accepted by the Cooperative prior to interconnection.
8. The member-generator will be required to pay all costs incurred by the Cooperative prior to interconnection for upgrades to the Cooperatives system.
9. The member-generator may be paid for capacity in addition to energy at the Cooperative's avoided cost factoring the following considerations into the establishment of avoided cost (the factors may result in increases or decreases):
 - a. costs of capacity (demand),
 - b. cost of imbalance,
 - c. cost of scheduling if impacted,
 - d. cost of voltage regulation,
 - e. cost of other ancillary services if impacted, and
 - f. those transmission costs billed on a capacity basis.

Date Originally Adopted: November 14, 2008

Amended: July 29, 2009 (Include >25 kW for all members)

INTERCONNECTION & WHEELING OF CUSTOMER GENERATION FACILITIES_VIII-E-3

I. OBJECTIVE

Beartooth Electric Cooperative recognizes that their members may want to take advantage of alternative on-site generation sources. This policy outlines the means and requirements for interconnection and wheeling of this generation with the Rural Electric distribution lines. While this policy primarily assesses interconnection options, it is recognized that a member may generate without interconnecting to the Cooperative lines.

II. POLICY

A. AVAILABILITY AND REQUIREMENTS

When a member desires to interconnect to the Cooperative's grid the following requirements must be met:

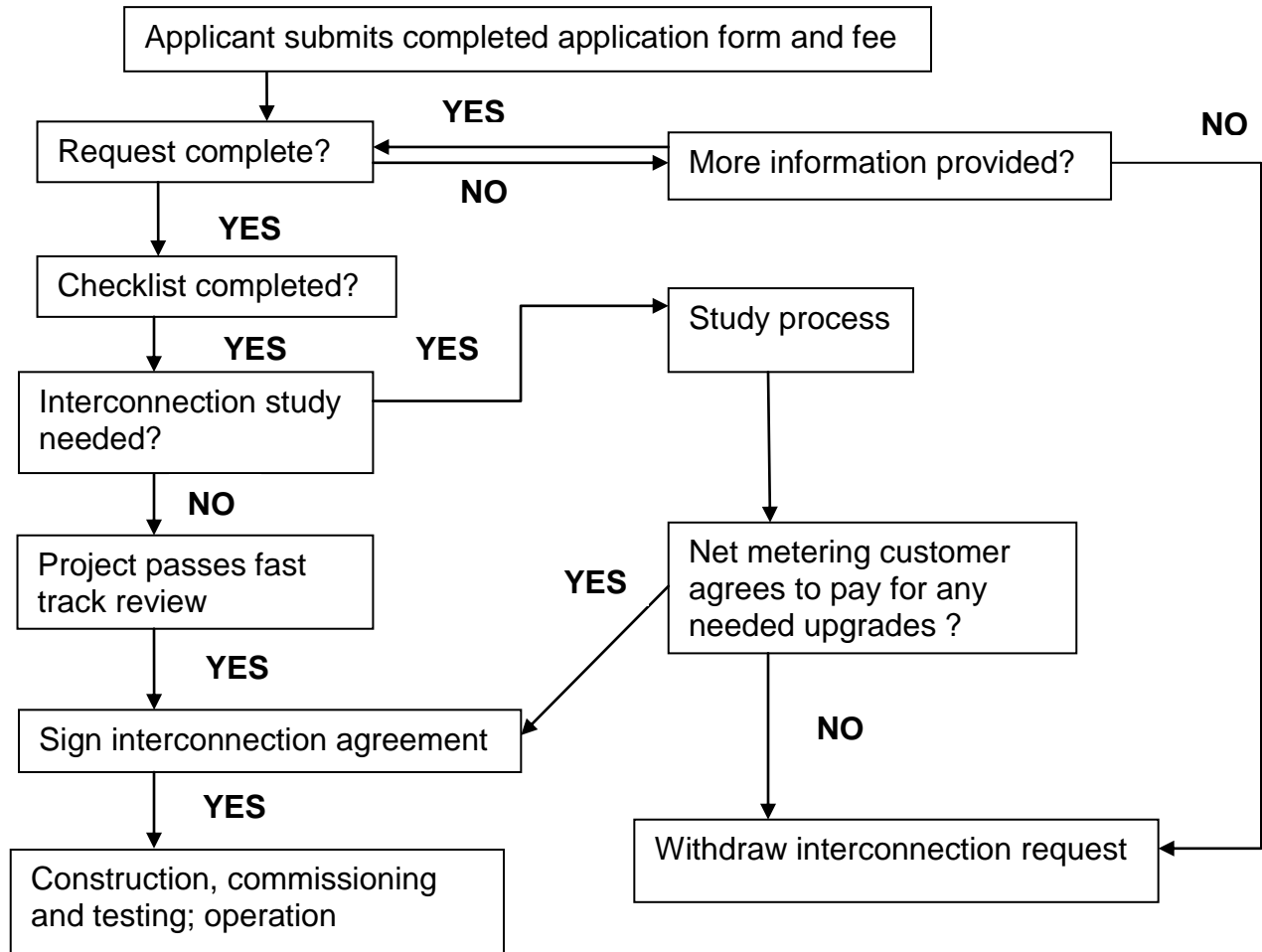
1. An interconnection and operating agreement outlining specific terms and conditions with the Cooperative is required.
2. The member-generation source may be renewable including but not limited to wind, solar, geothermal, hydropower or fuel cells.
3. The generation to be wheeled may be required to meet the definition of "Qualifying Facility" (QF) as defined in the Public Utilities Regulatory Policy Act of 1978 (PURPA) and provided PURPA continues to be enforceable under federal law.
4. A QF is generally defined as generation utilizing a renewable source or from cogeneration when energy that would otherwise be wasted is harnessed to generate electricity. QF is specifically defined by FERC Orders No. 70-70E, Order 499-499-A, Orders No. 575-575A and Order No. 593.
5. Members desiring to wheel their member-generation that meets PURPA's definition of "qualifying facilities" across the Cooperative's distribution/transmission system shall meet the following guidelines:
 - a. The Cooperative will not purchase power produced by the member.
 - b. The generation may be stand alone or may provide part or all of the member's own electrical requirements at the service.
 - c. 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.
 - d. The member-generator will be required to obtain capacity rights from all systems affected and is directly responsible for payment of associated charges.
 - e. Charges for power delivered by the Cooperative shall be billed monthly at the appropriate rate.

- f. Payment for energy delivered by the member-generator through the Cooperative system is not the responsibility of Cooperative.
- g. Charges from the Cooperative to the member-generator for wheeling shall be based on pro forma tariffs including a rate of return and payment of those charges is the responsibility of the member-generator.
- h. The member-generator will be required to sign an interconnection and operating agreement with the Cooperative.
- i. Interconnection agreements must be consistent with the Cooperative's all requirements wholesale power contracts.
- j. The Cooperative shall not be held responsible for damages in the event the Cooperative is unable to perform wheeling.
- k. Impacts on the Cooperative's purchases of wholesale power shall be addressed including but not limited to:
 - 1. costs of capacity (demand),
 - 2. cost of imbalance,
 - 3. cost of scheduling,
 - 4. cost of voltage regulation,
 - 5. cost of other ancillary services if impacted, and
 - 6. those transmission costs billed on a capacity basis.
- l. An advance payment for engineering assessments will be required.
- m. The member-generator will be required to pay all reasonable costs incurred by the Cooperative prior to interconnection for upgrades to the Cooperative's system that are needed to maintain the power quality and system integrity.
- n. All policies and agreements need to be consistent and in coordination with the Cooperative's power suppliers with all requirement contracts.

Date Originally Adopted: November 14, 2008

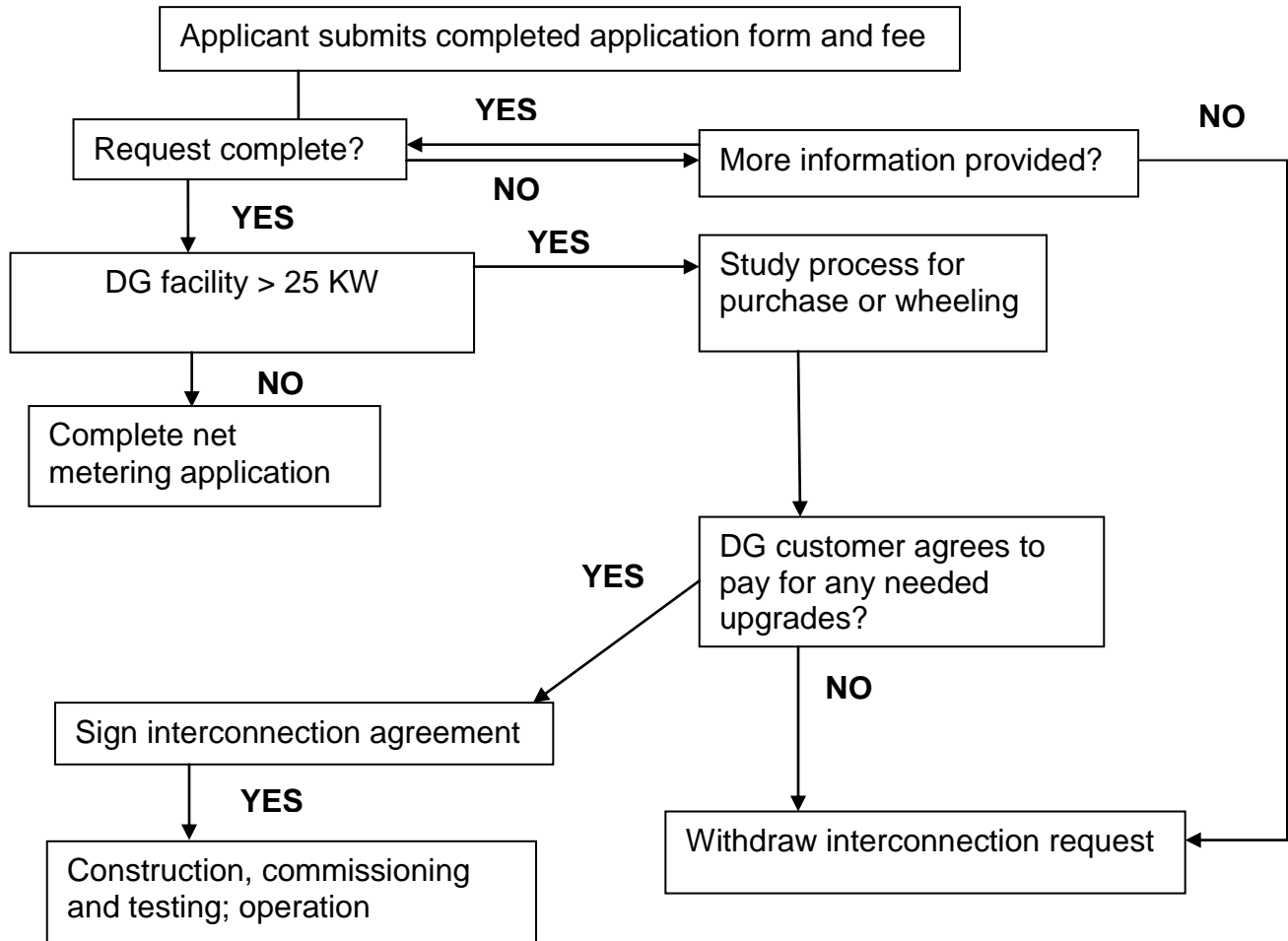
FLOW CHART 1

NET METERING APPLICATION PROCESS



FLOW CHART 2

DG INTERCONNECTION APPLICATION PROCESS



BEARTOOTH ELECTRIC COOPERATIVE

Interconnection Application

A. Member-Owner Information

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Service Address: _____

Phone: _____ E-mail: _____

Account No. (from co-op energy bill): _____

B. System Information

Location (if different from above): _____

Designed Capacity: Solar _____ Wind _____ Other _____

Inverter Manufacturer: _____ Inverter Model: _____

Inverter Nameplate Rating: _____ Single Phase Three Phase

DC Disconnect Switch AC Disconnect Switch

Disconnect Location: _____

Type of generator: Photovoltaic Diesel Engine Fuel Cell

Wind Turbine Hydro Turbine Biofuels Turbine Geothermal Turbine

Other _____

Is the equipment UL1741 Listed? Yes No

Estimated Install Date: _____ Estimated In-Service Date: _____

C. Interconnection Customer Acknowledgement

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Interconnection Standards for Co-generators and Small Power Producers and return the Certificate of Completion when the facility has been installed.

Signed (System Owner): _____ Date: _____

D. Utility Approval

Interconnection of the above-mentioned facility is approved contingent upon the Interconnection Standards for Co-generators and Small Power Producers, the return of the Certificate of Completion, and Beartooth Electric Cooperative's inspection once completed.

Signed (Co-op Rep.): _____ Date: _____

Application ID number: _____