

MEEKER COOPERATIVE LIGHT AND POWER ASSOCIATION
RULES IMPLEMENTING 216B.164

A. DEFINITIONS.

Subpart 1. Applicability. For purposes of these rules, the following terms have the meanings given them in this part.

Subp. 2. Average retail cooperative energy rate. "Average retail cooperative energy rate" means, for any class of Cooperative Member, the quotient of the total annual class revenue from all sales of energy minus the annual revenue resulting from fixed charges, divided by the annual class kilowatt-hour sales. For purposes of determining the "average retail cooperative energy rate" the Cooperative may consider a retail capacity (demand) rate as a fixed charge and shall exclude such annual revenue from the calculation. Security lighting revenue shall also be excluded from the calculation. Data from the most recent calendar year available must be used in the computation.

Subp. 3. Backup power. "Backup power" means electric energy (kWh) or capacity (KW) supplied by the Cooperative to replace energy ordinarily generated by a Member's qualifying facility's own generation equipment during an unscheduled outage of the facility.

Subp. 4. Capacity. "Capacity" means the capability to produce, transmit, or deliver electric energy, and is measured by the number of kilowatts alternating current at the point of common coupling between a qualifying facility and a Cooperative's electric system during a 15-minute interval period.

Subp. 5. Capacity costs. "Capacity costs" means the costs associated with providing the capability to deliver energy. The Cooperative capital costs consist of the costs of facilities from the Cooperative and the Cooperative's wholesale provider used to generate, transmit, and distribute electricity and the fixed operating and maintenance costs of these facilities.

Subp. 6. Cooperative. "Cooperative" means Meeker Cooperative Light and Power Association.

Subp. 6a. Member. "Member" or "Joint Member" as defined by the bylaws of the Cooperative.

Subp. 7. Energy. "Energy" means electric energy, measured in kilowatt-hours.

Subp. 8. Energy costs. "Energy costs" means the variable costs associated with the production of electric energy. They consist of fuel costs and variable operating and maintenance expenses.

Subp. 9. Firm power. "Firm power" means energy delivered by the qualifying facility to the Cooperative with at least a 65 percent on-peak capacity factor in the month. The capacity factor is based upon the qualifying facility's maximum metered capacity delivered to the Cooperative during the on-peak hours for the month.

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Subp. 10. Interconnection costs. "Interconnection costs" means the reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, engineering, and administrative costs incurred by the Cooperative that are directly related to installing and maintaining the physical facilities necessary to permit interconnected operations with a qualifying facility. Costs are considered interconnection costs only to the extent that they exceed the costs the Cooperative would incur in selling electricity to the qualifying facility as a non-generating Member.

Subp. 11. Interruptible power. "Interruptible power" means electric energy or capacity supplied by the Cooperative to a qualifying facility subject to interruption under the provisions of the Cooperative's rate applicable to the retail class of Members to which the qualifying facility would belong irrespective of its ability to generate electricity.

Subp. 12. Maintenance power. "Maintenance power" means electric energy or capacity supplied by the Cooperative during scheduled outages of the qualifying facility.

Subp. 13. On-peak hours. "On-peak hours" means either those hours formally designated by the Cooperative as on-peak for ratemaking purposes or those hours for which its typical loads are at least 85 percent of its average maximum monthly loads.

Subp. 14. Point of common coupling. "Point of common coupling" means the point where the qualifying facility's generation system, including the point of generator output, is connected to the Cooperative's electric power grid.

Subp. 15. Purchase. "Purchase" means the purchase of electric energy or capacity or both from a qualifying facility by the Cooperative.

Subp. 16. Qualifying facility. "Qualifying facility" means a cogeneration or small power production facility which satisfies the conditions established in Code of Federal Regulations, title 18, part 292. The initial operation date or initial installation date of a cogeneration or small power production facility must not prevent the facility from being considered a qualifying facility for the purposes of this chapter if it otherwise satisfies all stated conditions. The qualifying facilities must be owned by the Member.

Subp. 17. Sale. "Sale" means the sale of electric energy or capacity or both by the Cooperative to a qualifying facility.

Subp. 18a. Standby charge. "Standby charge" means the charge imposed by the Cooperative upon a qualifying facility for the recovery of costs for the provision of standby services necessary to make electricity service available to the qualifying facility.

Subp. 18b. Standby service. "Standby service" means the service to potentially provide electric energy or capacity supplied by the Cooperative to a qualifying facility greater than 40 kW.

Subp. 19. Supplementary power. "Supplementary power" means electric energy or capacity supplied by the Cooperative which is regularly used by a qualifying facility in addition to that which the facility generates itself.

Subp. 20. System emergency. "System emergency" means a condition on a Cooperative's system which is imminently likely to result in significant disruption of service to Members or to endanger life or property.

B. SCOPE AND PURPOSE.

The purpose of these rules are to implement certain provisions of Minnesota Statutes, section 216B.164; the Public Utility Regulatory Policies Act of 1978, United States Code, title 16, section 824a-3; and the Federal Energy Regulatory Commission regulations, Code of Federal Regulations, title 18, part 292. These rules shall be applied in accordance with its intent to give the maximum possible encouragement to cogeneration and small power production consistent with protection of the ratepayers and the public.

C. FILING REQUIREMENTS.

Annually the Cooperative shall file for review and approval, a cogeneration and small power production rate with its Board of Directors. The rate must contain schedules 1 – 5.

Subpart 1. Schedule 1. Schedule 1 shall contain the calculation of the average retail cooperative energy rates to be updated annually.

Subp. 2. Schedule 2. Schedule 2 shall contain all standard contracts to be used with qualifying facilities, containing applicable terms and conditions.

Subp. 3. Schedule 3. Schedule 3 shall contain the Cooperative's adopted interconnection process, safety standards and technical requirements for qualifying facilities.

Subp. 4. Schedule 4. Schedule 4 shall contain procedures for notifying affected qualifying facilities of any periods of time when the Cooperative will not purchase electric energy or capacity because of extraordinary operational circumstances which would make the costs of purchases during those periods greater than the costs of internal generation.

Subp. 5. Schedule 5. Schedule 5 shall contain the estimated average incremental energy costs by seasonal, peak and off-peak periods for the Cooperative's power supplier from which energy purchases are first avoided. Schedule 5 shall also contain the net annual avoided capacity costs, if any, stated per kilowatt-hour and averaged over the on-peak hours and over all hours for the Cooperative's power supplier from which capacity purchases are first avoided. Both the average incremental energy costs and net annual avoided capacity costs shall be increased by a factor equal to 50 percent of the Cooperative and the Cooperative's power supplier's overall line losses due to distribution, transmission and transformation of electric energy.

Revised on:

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D. AVAILABILITY OF FILINGS.

All filings shall be maintained at the Cooperative's general office and any other office of the Cooperative where rates are kept. The filings shall be made available for Member inspections during normal business hours. To the extent possible, Cooperative shall supply the current year's distributed generation rates, interconnection procedures and applications on the Cooperative website.

E. REPORTING REQUIREMENTS.

Annually the Cooperative shall report to the Cooperative Board of Directors for their review and approval an annual report including information in Subp. 1 – 3. The Cooperative shall still comply with other federal and state reporting of distributed generation to federal and state agencies expressly required by statute.

Subpart. 1. Summary of Average Retail Cooperative Energy Rate. A summary of the qualifying facilities that are currently served under average retail cooperative energy rate.

Subp. 2. Other Qualifying Facilities. A summary of the qualifying facilities that are not currently served under average retail cooperative energy rate.

Subp. 3. Wheeling. A summary of the wheeling undertaken with respect to qualifying facilities.

F. CONDITIONS OF SERVICE.

Subpart. 1. Requirement to Purchase. The Cooperative shall purchase energy and capacity from any qualifying facility which offers to sell energy and capacity to the Cooperative and agrees to the conditions in these rules.

Subp. 2. Written Contract. A written contract for the qualifying facility shall be executed between the Member and the Cooperative.

G. ELECTRICAL CODE COMPLIANCE.

Subpart 1. Compliance; standards. The interconnection between the Member's qualifying facility and the Cooperative must comply with the requirements in the most recently published edition of the National Electrical Safety Code issued by the Institute of Electrical and Electronics Engineers. The interconnection is subject to subparts 2 and 3.

Subp. 2. Interconnection. The qualifying facility is responsible for complying with all applicable local, state, and federal codes, including building codes, the National Electrical Code (NEC), the National Electrical Safety Code (NEC), and noise and emissions standards. The qualifying facility shall provide proof from an electrical inspector recognized by the Minnesota State Board of Electricity to the Cooperative that the qualifying facility's installation is in compliance with the NEC before the Cooperative interconnection is made.

Subp. 3. Generation system. The qualifying facility's generation system and installation must comply with the American National Standards Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE) standards applicable to the installation.

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H. RESPONSIBILITY FOR APPARATUS.

Subp. 1. Member owned facilities. The qualifying facility, without cost to the Cooperative, must furnish, install, operate, and maintain in good order and repair any apparatus the qualifying facility needs in order to operate in accordance with schedule 3.

Subp. 2. Cooperative owned facilities. The Cooperative shall furnish, install, operate, own and maintain in good working order distribution facilities required for the operation of the qualifying facility. The Cooperative retains the ownership of any distribution facilities it furnishes including any additions or modifications to the Cooperative' distribution system to accommodate the qualifying facility regardless of any financial contribution to said facilities by Member(s).

I. TYPES OF POWER TO BE OFFERED; STANDBY SERVICE.

Subpart 1. Service to be offered. The Cooperative shall offer maintenance, interruptible, supplementary, and backup power to the qualifying facility upon request.

Subp. 2. Standby service. The Cooperative shall offer a qualifying facility standby service at the Cooperative applicable standby rate schedule.

J. DISCONTINUING SALES DURING EMERGENCY.

The Cooperative may discontinue sales to the qualifying facility during a system emergency, if the discontinuance and recommencement of service is not discriminatory.

K. RATES FOR COOPERATIVE SALES TO A QUALIFYING FACILITY.

Rates for sales to a qualifying facility must be governed by the applicable rate(s) for the class of electric cooperative Member to which the qualifying facility belongs or would belong were it not a qualifying facility. Such rates are not guaranteed and may change from time to time at the discretion of the Cooperative.

L. STANDARD RATES FOR PURCHASES FROM QUALIFYING FACILITIES.

Subpart 1. Qualifying facilities with 100 kilowatt capacity or less. For qualifying facilities with capacity of 100 kilowatts or less, standard purchase rates apply. The Cooperative shall make available four types of standard rates, described in parts M, N, O, and P. The qualifying facility with a capacity of 100 kilowatts or less must choose interconnection under one of these rates, and must specify its choice in the written contract as required in Part V. Any net credit to the qualifying facility must, at its option, be credited to its account with the Cooperative or returned by check or comparably electronic payment service within 15 days of the billing date. The option chosen must be specified in the written contract required in part V. Qualifying facilities remain responsible for any monthly service charges and demand charges specified in the rate under which they consume electricity from the Cooperative.

Subp. 2. Qualifying facilities over 100 kilowatt capacity. A qualifying facility with more than 100 kilowatt capacity has the option to negotiate a contract with the Cooperative or any other Minnesota utility or, if it commits to provide firm power, be compensated under standard rates.

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Subp. 3. Grid Access Charge. A qualifying facility shall be assessed a monthly Grid Access Charge to recover the fixed costs not already paid by the Member through the Member's existing billing arrangement. The charge shall be reasonable and appropriate for the class of Member based on the most recent cost of service study defining the Grid Access Charge. The cost of service study for the Grid Access Charge shall be made available for review by the Member of the Cooperative upon request.

M. AVERAGE RETAIL COOPERATIVE ENERGY RATE.

Subpart 1. Applicability. The average retail cooperative energy rate is available only to Member-owned qualifying facilities with capacity of less than 40 kilowatts, based on a 15 minute interval which choose not to offer electric power for sale on either a time-of-day basis, a simultaneous purchase and sale basis or roll-over credit basis.

Subp. 2. Method of billing. The Cooperative shall bill the qualifying facility for the excess of energy supplied by the Cooperative above energy supplied by the qualifying facility during each billing period according to the Cooperative's applicable retail rate schedule.

Subp. 3. Additional calculations for billing. When the energy generated by the qualifying facility exceeds that supplied by the Cooperative to the Member at the same site during the same billing period, the Cooperative shall compensate the qualifying facility for the excess energy at the average retail cooperative energy rate.

N. SIMULTANEOUS PURCHASE AND SALE BILLING RATE.

Subpart 1. Applicability. The simultaneous purchase and sale rate is available only to qualifying facilities with capacity of less than 40 kilowatts, based on a 15 minute interval which choose not to offer electric power for sale on average retail cooperative energy rate basis, time-of-day basis or roll-over credit basis.

Subp. 2. Method of billing. The qualifying facility must be billed for all energy and capacity it consumes during a billing period according to the Cooperative's applicable retail rate schedule.

Subp. 3. Compensation to qualifying facility; energy purchase. The Cooperative shall purchase all energy which is made available to it by the qualifying facility. At the option of the qualifying facility, its entire generation must be deemed to be made available to the Cooperative. Compensation to the qualifying facility must be the energy rate shown on schedule 5.

Subp. 4. Compensation to qualifying facility; capacity purchase. If the qualifying facility provides firm power to the Cooperative, the capacity component must be the Cooperative's net annual avoided capacity cost per kilowatt-hour averaged over all hours shown schedule 5, divided by the number of hours in the billing period. If the qualifying facility does not provide firm power to the Cooperative, no capacity component may be included in the compensation paid to the qualifying facility.

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O. TIME-OF-DAY PURCHASE RATES.

Subpart 1. Applicability. Time-of-day rates are required for qualifying facilities with capacity of 40 kilowatts or more and less than or equal to 100 kilowatts, based on a 15 minute interval, and they are optional for qualifying facilities with capacity less than 40 kilowatts. Time-of-day rates are also optional for qualifying facilities with capacity greater than 100 kilowatts if these qualifying facilities provide firm power.

Subp. 2. Method of billing. The qualifying facility must be billed for all energy and capacity it consumes during each billing period according to the Cooperative's applicable retail rate schedule.

Subp. 3. Compensation to qualifying facility; energy purchase. The Cooperative shall purchase all energy which is made available to it by the qualifying facility. Compensation to the qualifying facility must be the energy rate shown on schedule 5.

Subp. 4. Compensation to qualifying facility; capacity purchase. If the qualifying facility provides firm power to the Cooperative, the capacity component must be the capacity cost per kilowatt shown on schedule 5 divided by the number of on-peak hours in the billing period. The capacity component applies only to deliveries during on-peak hours. If the qualifying facility does not provide firm power to the Cooperative, no capacity component may be included in the compensation paid to the qualifying facility.

P. ROLL-OVER CREDIT PURCHASE RATES.

Subpart 1. Applicability. The roll-over credit rate is available only to qualifying facilities with capacity of less than 40 kilowatts, based on a 15 minute interval which choose not to offer electric power for sale on average retail cooperative energy rate basis, time-of-day basis or simultaneous purchase and sale basis.

Subp. 2. Method of billing. The Cooperative shall bill the qualifying facility for the excess of energy supplied by the Cooperative above energy supplied by the qualifying facility during each billing period according to the Cooperative's applicable retail rate schedule.

Subp. 3. Additional calculations for billing. When the energy generated by the qualifying facility exceeds that supplied by the Cooperative during a billing period, the Cooperative shall apply the excess kilowatt hours as a credit to the next billing period kilowatt hour usage. Excess kilowatt hours that are not offset in the next billing period shall continue to be rolled over to the next consecutive billing period. Any excess kilowatt hours rolled over that are remaining at the end of each calendar year shall cancel with no additional compensation.

Q. CONTRACTS NEGOTIATED BY MEMBER.

A qualifying facility with capacity greater than 100 kilowatts must negotiate a contract with the Cooperative setting the applicable rates for payments to the Member of avoided capacity and energy costs.

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Effective for Applications After:

Subpart 1. Amount of Capacity Payments. The qualifying facility which negotiates a contract under Part Q must be entitled to the full avoided capacity costs of the Cooperative. The amount of capacity payments will be determined by the Cooperative and the Cooperative's wholesale power provider.

Subp. 2. Full Avoided Energy Costs. The qualifying facility which negotiates a contract under Part Q must be entitled to the full avoided energy costs of the Cooperative. The costs must be adjusted as appropriate to reflect line losses.

R. WHEELING.

Qualifying facilities with capacity of 30 kilowatts or greater, are interconnected to the Cooperative's distribution system and choose to sell the output of the qualifying facility to any other utility, must pay any appropriate wheeling charges to the Cooperative.

S. NOTIFICATION TO MEMBERS.

Subpart 1. Contents of Written Notice. Following each annual review and approval by the Cooperative of the qualifying facilities rates the Cooperative shall furnish to each of its Members in the monthly newsletter or similar mailing and/or on its website, notice the Cooperative is obligated to interconnect with and purchase electricity from qualifying facilities.

Subp. 2. Availability of Information. The Cooperative shall make available to all Members on the cooperative's website, the interconnection process and requirements adopted by the Cooperative, pertinent rate schedules and sample contractual agreements.

T. DISPUTE RESOLUTION.

Subpart 1. Cooperative Dispute Resolution Process. Member(s) must make reasonable efforts to resolve disputes first with authorized Cooperative staff, then with the Cooperative's General Manager before taking a dispute to the Cooperative's Board of Directors. The Board of Directors shall provide timely opportunity for any Member(s) with a dispute to bring the issue(s) to the Board for resolution. The Cooperative Board of Directors shall weigh the issues and circumstances of the case and make a determination on any dispute brought to the Board which must be recorded in the minutes of the meeting. In the event the Member(s) and the Cooperative cannot resolve the dispute, either the Member(s) or the Cooperative may request mediation as outlined in Subparts 2 and 3.

Subp. 2. Mediator. The Cooperative and the Member(s) involved in the dispute must mutually agree upon the selection of a mediator, who must be listed on the roster of neutrals for civil matters established by the state court administrator under Rule 114.12 of the Minnesota's General Rules of Practice for the District Courts.

Subp. 3. Cost Sharing. The Cooperative and the Member(s) involved in the dispute shall cost share the expense for a mediator for mediation. The Cooperative shall be responsible for 90% of the mediator's cost and the Member(s) who initiated the dispute shall pay 10% of the cost of the mediator.

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U. INTERCONNECTION CONTRACTS.

Subp. 1 Existing Contracts. Any existing interconnection contract executed between the Cooperative and a qualifying facility with capacity of less than 40 kilowatts remains in force until terminated by mutual agreement of the parties or as otherwise specified in the contract. The Cooperative has assumed all dispute responsibilities as listed in existing interconnection contracts per MN Statute 216B.164, Subdivision 11. Disputes are resolved through the process in Section T.

Subp. 2 Renewable Energy Credits; Ownership. Generators own all renewable energy credits unless other ownership is expressly provided for by a contract between a qualifying facility and the Cooperative.

V. UNIFORM AGREEMENT.

The form for uniform agreement shall be used between the Cooperative and a qualifying facility having less than 40 kilowatts of capacity is as shown in subpart 1.

Subpart 1. Cooperative Agreement for Qualifying Facilities. (see attached uniform contract)

ADOPTED: _____

SIGNED: _____

**Chair/President of the Board of Directors
Meeker Cooperative Light & Power Association**

SAMPLE

Schedule 1

Average Retail Cooperative Energy Rate (ARCER) for 2017

Rate Schedule	1 - Small Single phase	3 - Large Single Phase	4 - Small Three Phase	5 - Large Three Phase	6 - Uncontrolled Irrigation	61 - Controlled Irrigation	7 - Interruptible C&I ≥350 kVA	71 - Interruptible C&I 50 - 350 kVA
Total Revenue	\$ 16,171,286	\$ 104,926.34	\$ 256,184.19	\$ 1,258,537.52	\$ 13,721.41	\$ 230,972.53	\$ 1,027,783.46	\$ 617,380.11
Less Fixed Charge	\$ (2,988,666)	\$ (6,552.00)	\$ (47,264.00)	\$ (71,738.70)	\$ (3,012.90)	\$ (50,094.00)	\$ (10,278.00)	\$ (28,198.50)
Less Security Lights	\$ (370,734.31)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Demand Charge	\$ -	\$ (20,022.90)	\$ -	\$ (311,839.88)	\$ (7,838.67)	\$ (61,584.99)	\$ (198,525.38)	\$ (2,208.17)
Total Rate Revenue	\$ 12,811,886	\$ 78,351	\$ 208,920	\$ 874,959	\$ 2,870	\$ 119,294	\$ 818,980	\$ 586,973
Total kWh	135,288,783	891,337	1,715,754	9,911,991	29,483	1,220,139	13,931,600	7,543,458
Average retail rate	\$ 0.09470	\$ 0.08790	\$ 0.12177	\$ 0.08827	\$ 0.09734	\$ 0.09777	\$ 0.05879	\$ 0.07781

Grid Access Charge: Pursuant to MN State Statute 216B.164 Subd. 3(a)

The Grid Access Charge is applied to all distributed generation systems interconnected after July 1, 2015. The Grid Access Charge is applied against the kW of the nameplate capacity of the qualifying facility above the first 3.5 kW-DC. Systems greater than 3.5 kW will be charged the monthly rate on the additional kW of the nameplate capacity, not to exceed the monthly maximum charge. The charge may change and will be reviewed annually.

	Residential	Residential - Seasonal	Irrigation	Comm & Ind 1000 KVA or Less	Comm & Ind Over 1000 KVA
Grid Access Charge - \$/kW	\$ 3.29	\$ 2.22	\$ 9.05	\$ 2.72	\$ 1.05
Monthly Maximum Charge	\$ 47.00	\$ 7.00	\$ 80.00	\$ 125.00	\$ 3,273.00

Schedule 2

**MEEKER COOPERATIVE LIGHT & POWER ASSOCIATION
AGREEMENT for QUALIFYING FACILITIES**

**THIS CONTRACT is entered into _____, 2017, by _____
_____ (hereafter called "Cooperative") and _____
(hereafter called "QF").**

RECITALS

**The QF has installed electric generating facilities, consisting of _____
_____ (Description of facilities), rated at _____ kilowatts 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 due 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, engineering, and safety codes, and will be responsible for the costs of conformance as identified in the rules.

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:

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 a good faith manner.

15. In the event a dispute arises under this contract, refer to dispute resolution process in Meeker Cooperative Light & Power Association 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 _____

COOPERATIVE

By: _____

CEO/General Manager or Authorized Signer

(Title) _____

Contract Version:

September 2017

SAMPLE

SCHEDULE 3

Meeker Cooperative utilizes the State of Minnesota Interconnection Process for Distribution Generation System, including the Distributed Generation Interconnection Technical Requirements. The Generation Interconnection Application is as follows.

State of Minnesota Generation Interconnection Application

WHO SHOULD FILE THIS APPLICATION: Anyone expressing interest to install generation which will interconnect with Meeker Cooperative. This application should be completed and returned to Meeker Cooperative EPS Generation Interconnection Coordinator, in order to begin processing the request.

INFORMATION: This application is used by Meeker Cooperative to perform a preliminary interconnection review. The Applicant shall complete as much of the form as possible. The fields in BOLD are required to be completed to the best of the Applicant's ability. The Applicant will be contacted if additional information is required. The response may take up to 15 business days after receipt of all the required information.

COST: A payment to cover the application fee shall be included with this application. The application fee amount is outlined in the "State of Minnesota Interconnection Process for Distributed Generation Systems".

OWNER/APPLICANT		
Company / Applicant's Name:		
Representative:		
Title:		
Phone:	Cell Phone:	
Mailing Address:		
Email Address:		
LOCATION OF GENERATION SYSTEM INTERCONNECTION		
Street Address, legal description or GPS coordinates:		
PROJECT DESIGN / ENGINEERING (if applicable)		
Company:		
Representative:	Phone:	Cell Phone::
Mailing Address:		
Email Address:		
ELECTRICAL CONTRACTOR (if applicable)		
Company:		
Representative:	Phone:	Cell Phone::
Mailing Address:		
Email Address:		
GENERATOR		
Manufacturer:		Model:
Type (Synchronous Induction, Inverter, etc):		Phases: 1 or 3
Rated Output (Prime kW):	(Standby kW):	Frequency:
Rated Power Factor (%):	Rated Voltage (Volts):	Rated Current (Amperes):
Energy Source (gas, steam, hydro, wind, etc.)		
TYPE OF INTERCONNECTED OPERATION		
Interconnection / Transfer method:		
<input type="checkbox"/> Open <input type="checkbox"/> Quick Open <input type="checkbox"/> Closed <input type="checkbox"/> Soft Loading <input type="checkbox"/> Inverter		
Proposed use of generation: (Check all that may apply)		Duration Parallel:
<input type="checkbox"/> Peak Reduction <input type="checkbox"/> Standby <input type="checkbox"/> Energy Sales <input type="checkbox"/> Cover Load		<input type="checkbox"/> None <input type="checkbox"/> Limited <input type="checkbox"/> Continuous
Pre-Certified System: Yes / No (Circle one)		Exporting Energy Yes / No (Circle one)

ESTIMATED LOAD INFORMATION		
The following information will be used to help properly design the interconnection. This Information is not intended as a commitment or contract for billing purposes.		
Minimum anticipated load (generation not operating):	kW:	kVA:
Maximum anticipated load (generation not operating):	kW:	kVA:
ESTIMATED START/COMPLETION DATES		
Construction start date:	Completion (operational) date:	
DESCRIPTION OF PROPOSED INSTALLATION AND OPERATION		
Attach a single line diagram showing the switchgear, transformers, and generation facilities. Give a general description of the manner of operation of the generation (cogeneration, closed-transition peak shaving, open-transition peak shaving, emergency power, etc.).		
PROJECT INFORMATION (Required by MN Statute 216B.16611 subd. 3a)		
Nameplate Capacity of Facility:	_____ kW-DC	_____ kW-AC
Pre-Incentive Install Cost and Cost Components:		
Facility Energy Source: (Circle One)		
<input type="checkbox"/> Solar <input type="checkbox"/> Wind <input type="checkbox"/> Biomass <input type="checkbox"/> Other (Please Specify)		
Zip Code of the Facility Location:		
SIGN OFF AREA:		
<p>With this Application, we are requesting Meeker Cooperative to review the proposed Generation System Interconnection. We request that Meeker Cooperative identify the additional equipment and costs involved with the interconnection of this system and to provide a budgetary estimate of those costs. We understand that the estimated costs supplied by Meeker Cooperative will be estimated using the information provided. We also agree that we will supply, as requested, additional information, to allow Meeker Cooperative to better review this proposed Generation System interconnection. We have read Meeker Cooperative "Distributed Generation Interconnection Requirements" and will design the Generation System and interconnection to meet those requirements.</p>		
Applicant Name (print):		
Applicant Signature:		Date:
SEND THIS COMPLETED & SIGNED APPLICATION AND ATTACHMENTS TO MEEKER COOPERATIVE		

1 REQUIREMENT FOR INTERCONNECTION

1.1 Cooperative Membership

Any individual, 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 Contracts/Agreements

The owner of a QF wishing to interconnect with the Cooperative's system will be required to sign a Uniform Statewide Contract for Cogeneration and Small Power Production Facilities. For QFs of 40 kW or more, an Electric Service Agreement is required. For QFs 101 to 1000 kW, the Standard Offer for cogenerators and small power producers may be used. The Contract/Agreement commits the Cooperative and the Member to operate under the terms and conditions of the Contract/Agreement and in full compliance with Minnesota Adopted Rules Relating to Cogeneration and Small Power Production 7835.0100-7835.6100. Copies of the Uniform Statewide Contract and the Electric Service Agreement are included in Schedule D.

1.3 Application for Interconnection

The Cooperative requires that all QFs 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 QFs are required to abide by the requirements 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.

A copy of the Application for Interconnection is included in Schedule E.

The Cooperative shall accept or reject the Application for Interconnection within 30 days. Acceptance depends on the accuracy of information provided on the Application, and on the QFs proposed compliance with the National Electric Code, the National Electrical Safety Code, the Cooperative 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 inspection certificate issued by the state electrical inspector having jurisdiction of the QF's area is required to assure wiring complies with the 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 with the QF.

1.6 Interconnection

Interconnection is permitted only after all of the requirements stated in Sections 1 and 2 of the Terms and Conditions 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 Uniform Statewide Contract or the Electric Service Agreement, including subsequent operation of his generating facilities in a nonqualifying manner, the Cooperative will no longer be obligated to operate in parallel with nor purchase any capacity and energy made available from the QF. The Cooperative will 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 termination of electric service if necessary.

2 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 QFs must operate in a manner which will insure the safety of employees and the general public, and must allow electric service to other consumers to remain within prescribed limits.

2.1 Cooperative Access

Employees and authorized representatives of the Cooperative have the right to enter upon Member's property at any reasonable time to insure continued compliance with the Cooperative 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.

2.2 Disconnect Requirements

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 the following two requirements be met:

1. The QF shall be designed and operated to automatically disconnect or shut down during scheduled or unscheduled outages to insure that it will not backfeed any part of the Cooperative's distribution system.

2. That a means be available to positively disconnect the QF from the system such that there is no possibility that the QF could backfeed through the service transformer and energize the primary system. This requirement shall be met with a Member furnished and installed Underwriter's Laboratory (UL) listed manual disconnect switch which shall be located between the Member's QF and the Cooperative's system. 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. When feasible and with mutual consent, the Cooperative may permit the use of service transformer disconnect, in place of the Member furnished disconnect switch.

2.2.1 Isolation of qualifying facility

The Cooperative reserves the right to open the disconnect switch (i.e., isolating the Member's QF) without prior notice for any of the following reasons:

- A. System emergency and/or maintenance operations require such action.
- B. A potentially hazardous condition relating to the QF is discovered.

The Cooperative will notify the QF following such emergency disconnects as soon as possible.

2.2.2 Single-phase limitations

The rated capacity of the QF to be connected in parallel with a low voltage service shall be no greater than 40 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 40 kW will be permitted if engineering calculations indicate that the installation will not adversely affect the operational characteristics of the Cooperative's system.

2.2.3 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 may be required and/or reimbursing the Cooperative for the cost of corrective action which it deems necessary to restore service to prescribed limits.

2.2.4 Electrical characteristics

The electrical characteristics of the QF shall conform with standards established by the Cooperative. The standards include voltage, current, frequency, harmonics, and automatic synchronization, etc. Wherever possible the Cooperative will base its standards on industry wide standards.

2.2.5 Power factor

The Member shall endeavor to operate the QF as near unity power factor as possible. For QFs with rated capacity above 40 kW, 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.

2.3 Metering

The Cooperative will meter the QF to obtain billing data and to fulfill its reporting requirements to the Minnesota Public Utility Commission as specified in Minnesota Adopted Rules Relating to Cogeneration and Small Power Production 7835.1300.

2.3.1 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 and consent of the QF, shall have the right to install additional metering equipment for the collection of data for research purposes. The Cooperative will furnish such metering equipment and pay all associated operation and maintenance.

2.3.2 Meter reading

The meters shall be read monthly, or as mutually agreed upon by the consumer and Cooperative, 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.

2.3.3 Metering configuration

The metering schematic for interconnections under the standard rate schedules are found in Schedule D as part of the Uniform Statewide Contract and the Electric Service Agreement Terms and Condition

SAMPLE

SCHEDULE 4

Meeker Cooperative Light & Power Association

Procedure for notifying Qualifying Facilities (QF) of periods when the Cooperative or East River Electric Power Cooperative on behalf of the Cooperative through the Federal Energy Regulatory Commission (FERC) approved PURPA Qualifying Facilities Joint Implementation Plan (JIP) will not purchase electric energy or capacity due to operational circumstances that would make the cost of purchases during those periods greater than the cost of internal generation.

1. Qualifying Facilities less than 40 kW:

The Cooperative does not plan to discontinue purchases of energy and capacity at this time. The current expected cost of supplying such notification would exceed any savings from not purchasing from the QF. At such time as it becomes economically feasible to provide such notice, the Cooperative will develop the necessary procedure.

2. Qualifying Facilities 40 kW - 150 kW:

Neither the Cooperative nor East River Electric Power Cooperative on behalf of the Cooperative through the FERC approved JIP, plan to discontinue purchases of energy and capacity at this time. The current expected cost of supplying such notification would exceed any savings from not purchasing from the QF. At such time as it becomes economically feasible to provide such notice, the Cooperative or East River Electric Power Cooperative will develop the necessary procedure.

3. Qualifying Facilities greater than 150 kW:

Discontinuing purchases by the Cooperative or East River Electric Power Cooperative on behalf of the Cooperative through the FERC approved JIP will become part of the negotiated contract.

SCHEDULE 5
Estimated Average Incremental Energy Costs &
Net Annual Avoided Capacity Cost

The Public Utility Policies Act (PURPA) requires that electric utilities must purchase power produced from Qualifying Facilities (QF's) at their avoided cost.

Meeker Cooperative reaffirms and designates that its avoided cost shall be Basin Electric's avoided cost.

To be eligible for the following rate, the QF must comply with all applicable laws and regulations as well as any requirements of Basin Electric, East River Electric, or the East River member system.

For generation 150 kW and greater, the purchase obligations have been transferred to Basin Electric, and the terms and conditions of the Basin Electric PURPA Policy apply.

For a QF with a capacity rating up to 150 kW, East River or Meeker Cooperative's PURPA avoided cost rate is as follows:

(Basin PURPA rate) x (loss adjustments)

The loss adjustments will be determined on a case-by-case basis.

The avoided cost rate will be updated periodically and is subject to change on an annual or more frequent basis.

Cooperative shall pay the member for all energy delivered as follows:

On Peak Energy Payment (\$/kWh)	\$ 0.01730
Off Peak Energy Payment (\$/kWh)	\$ 0.01730
Capacity Payment for Firm Power (\$/kWh)	\$ 0.00