

VERNON ELECTRIC COOPERATIVE

Policy 30-24

SUBJECT: Renewable Energy/Distributed Generation (DG)

POLICY CONTENT:

AVAILABILITY

This rate is available to members of Vernon Electric Cooperative who own and operate renewable electric generation facilities that are interconnected with the Cooperative's system who generate a portion or all of their own retail electricity from renewable energy resources as defined herein. This shall include single-phase and three-phase service where such facilities have a total energy production capability of 20 KW AC or less, and where such facilities are connected in parallel with the Cooperative, and where such facilities are approved by the Cooperative. The energy production capacity of a member-owned DG system will be deemed to be the manufacturer's name plate rating or the actual output, whichever is greater.

Service under this policy is limited to members of the Cooperative who own and operate renewable energy sourced electric generating technologies, further defined as "energy generated by solar, wind, geothermal, biomass (organic materials such as: wood, crops, and waste) or hydroelectric only."

For applications larger than 20 KW, Dairyland Power Cooperative (DPC) or Vernon Electric Cooperative may be considered as a primary source for interconnection. All kilowatt hours will be paid at DPC's avoided cost rate.

The Cooperative in general may utilize the Wisconsin Public Utilities (PSC) 119 rules, forms, agreements, applications, provisions and other criteria for any and all distributed generation and renewable energy interconnect requests and approvals.

The electric energy produced by the distributed generation system must originate at the member's premises. Any distributed generation systems owned by the same individual, organization, corporation or affiliates will be considered one system and the generation capacity will be aggregated. The energy production capacity of a member owned distributed generation system will be deemed to be the manufacturer's name plate rating. In the event a member's maximum output measured during any 15-minute period exceeds 20 kW, the facility and interconnection shall then be governed by the appropriate size generation rules.

NET METERING / BILLING / RATE

According to the Federal Energy Regulatory Commission (Energy Policy Act of 2005 (Sec. 1251(11))), "net metering means service to an electric consumer under which electric energy generated by that electric consumer from an eligible on-site generating facility and delivered to the local distribution facilities may be used to offset electric energy provided by the electric utility to the electric consumer during the applicable billing period." The purpose of net metering

is to allow members to offset their individual loads, not become independent power producers. Therefore, generation should be properly sized to a member's load.

Net metering billing under this policy is an accounting mechanism whereby members of the Cooperative who generate a portion or all of their own retail electricity (energy) and have the capability to sell excess energy (if any) back to the Cooperative under this policy, shall receive a billing credit equal to the kWh rate listed in Appendix A times the metered kilowatt hours delivered to the Cooperative. Excess generation will be credited on a monthly basis. There is no "banking" or monthly kilowatt hour carryover. The rate is subject to change at any time based on changes to the wholesale power rate, renewable energy market conditions and pricing, or state laws. The member shall be billed monthly on a net energy billing basis and shall pay the fixed charge and energy charge specified in the rate schedule under which he or she is served. Refunds on credit amounts owed to the member will be done on an annual basis or when the credit amount is more than \$500.00. Members may request a credit reimbursement at any time.

METERING AND SERVICE FACILITIES

Metering for dual-fuel or off-peak heat installations must be wired in parallel such as through a double or triple meter socket. Subtractive metering cannot be done with net metering.

SAFETY, SYSTEM PROTECTION AND POWER QUALITY RULES OF INTERCONNECTION

The DG facilities shall be installed in a manner consistent with the rules specified below. These rules may be revised by the Cooperative at any time.

a. Interconnection of member's generating installation with the Cooperative's power system is not permitted until proper application has been made to and approval received from the Cooperative. The Cooperative may withhold approval only for good reason such as failure to comply with applicable Cooperative or governmental rules or laws. The member shall furnish a wiring affidavit and sign an interconnection agreement specifying reasonable technical connection and operating aspects for the DG facility.

b. Where necessary, for reasons of public or employee safety or the potential for a DG facility causing problems with the service of other members, the Cooperative may require a separate distribution transformer(s) for a member having a DG facility.

c. The member's facility must have a system for automatically isolating a generator from the Cooperative's system upon loss of the Cooperative's power supply. Paralleling equipment must be certified by a nationally recognized testing laboratory, meeting testing requirements of UL1741.

d. The cooperative requires that the applicant furnish and install a load-break interconnection disconnect switch that provides a visual, open-air break on all energized conductors of the interconnection circuit. The interconnection disconnect switch shall be accessible at all times, located for ease of access to utility personnel, and shall be capable of being locked in the open position. The switch shall be clearly and permanently labeled "Interconnection Disconnect Switch".

e. The Cooperative may discontinue DG generation operations and isolate the generating installation from the Cooperative's system for any of the following reasons:

1. To facilitate maintenance or repair of the Cooperative's facilities.
2. During system emergencies
3. At such times as the member's equipment is operating in a hazardous manner or operating such that it adversely affects service to other members or to nearby communications systems or circuits.
4. Non-compliance with technical, contract/agreement and/or current policy requirements.

f. The member shall make equipment available and permit entry upon the property by the Cooperative employees and other communication utility personnel at reasonable times for the purposes of testing isolation and protective equipment and evaluating the quality of power delivered to the Cooperative's system; and testing to determine whether the local generating system is the source of any electric service or communication systems problems.

g. The power output of the equipment must be maintained such that frequency and voltage are compatible with normal Cooperative service and does not cause that service to fall outside the prescribed limits of the Wisconsin Public Service Commission rules and other standard limitations.

h. The member's equipment must be operated so that variations from acceptable voltage levels and other service impairing disturbances do not result in adverse effects on the service or equipment of other consumers, and in a manner that does not produce undesirable levels of harmonics in the Cooperative's power supply.

i. The member is responsible for providing protection for the installed equipment and must comply with all applicable national, state, and local codes. The design and configuration of certain DG equipment sometimes requires an isolation transformer as part of the DG installation for safety and protection of the DG equipment.

CONTRACT/AGREEMENT

The Cooperative may require a contract/agreement by and between the member and the Cooperative specifying technical and operating aspects of DG.

LIABILITY OF THE PARTIES

Each of the parties shall indemnify and hold harmless the other party against any and all damages to persons or property occasioned, without the negligence of such other party, by the maintenance and operation by such parties of their respective lines and other electrical equipment. Members requesting an interconnect under this policy shall provide insurance coverage and provide the Cooperative a certificate of insurance. This policy will also require minimum liability insurance limits as determined by Wisconsin PSC 119.05. The insurance

provision in this policy supersedes section 119.05 in that the Cooperative requires a certification of insurance in lieu of being named an additional insured.

DISCLAIMER

Information contained in this Policy is subject to update or modification by Vernon Electric Cooperative at any time and at the sole discretion of Vernon Electric Cooperative. Such information includes (but is not limited to) policies, procedures, rates, tariffs and applications. Some information may change as a result of external factors such as new legislation or regulations. Prior to making use of the information contained herein, please check with appropriate Vernon Electric Cooperative staff.

For the above reasons, Vernon Electric Cooperative requests that the recipient NOT reproduce or distribute this document or rely solely on its contents to make any business or personal decisions regarding renewable energy resources.

Approved by the Board of Directors:
June 27, 1994

Policy Withdrawn:
May 24, 2006

Policy Revised & Approved by the Board of Directors: April 27, 2007
DPC Policy Provision Adaptation: June 27, 2007
Revised: May 30, 2008
Revised: July 29, 2009
Revised: August 26, 2009
Revised: October 28, 2010
Revised: April 27, 2011
Reviewed: May 1, 2017
Revised: May 30, 2018

VERNON ELECTRIC COOPERATIVE
RENEWABLE ENERGY/DISTRIBUTIVE GENERATION (DG) SERVICE

Appendix A

AVAILABILITY

Available to all consumers for separately metered renewable electric service. Service and rates provided hereunder are subject to the established rules and regulations of the Cooperative and are subject to change.

CHARACTER OF SERVICE

Single and multiphase, 60-cycle at 120/240 volts.

Renewable energy systems 20 kW AC or less

NET METERING & EXCESS GENERATION

Kilowatt hours (kWh) used for the month and DG kWh generated will be first netted, allowing the member to offset consumed kWh up to the amount used. Excess energy generated will be credited on a monthly basis to the member at:

June, July, & August @6.63¢ per kWh

September – May @ 3.17¢ per kWh