

QUALIFYING FACILITIES and DISTRIBUTED GENERATION RIDER – DQF - 22

DEFINITIONS.

- a. Member-generator: The owner or operator of a qualified electric energy generation unit which:
 - i. Is interconnected and operated in parallel phase and synchronization with the Cooperative for the purpose of feeding excess electrical power which is generated by the members energy-producing system into the utility's system.
 - ii. Has entered a Parallel generation contract with the Cooperative.
 - iii. Is located on a premise owned, operated, leased, or otherwise controlled by the Member-generator.
 - iv. Is appropriately sized to primarily offset part or all the Member-generator's anticipated electrical load requirements.
 - v. Meets all applicable safety, performance, interconnection, and reliability standards established by the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory Commission, and any local governing authorities; and
- b. Distributed Generation. Generation facilities from resources not considered as renewable resources.
- c. Generating Capacity. The nameplate maximum output of the energy generation source.
- d. Qualifying Facility. Generation facilities meeting the definition of Qualifying Cogeneration and Small Power Production Facilities as defined under CFR Title 18, Chapter 1, Subchapter K, Part 292, or the Public Utilities Policies Act of 1978.
- e. SYSTEM MONTHLY AVERAGE COST. The average cost per kWh of wholesale power from the previous calendar year less special purchase contracts.

AVAILABILITY. Available in all territory served by the Cooperative in accordance with the Cooperative's service rules and regulations and all applicable federal, regional, state, ISO, and local laws and regulations. Service under this Rate rider is contingent upon execution of a written agreement for electric service between the Cooperative and the Member.

APPLICATION. Applicable to Distributed Generation ("DG") Facilities and Qualified Facilities ("QFs") having a design capacity less than 1 MW of generation connected in parallel operation to the Cooperative's electric system.

This rate rider is not applicable to temporary, shared, or resale service. This rate rider is available to service supplied at one point of delivery and may not be applicable if total Parallel Generation and DG and QF Facilities exceed 4.0% of the previous LSEC Coincidental Peak. In such case the Cooperative will refer the member-generator to, and assist the DG or QF facility with, the Cooperatives power supplier.

CHARACTER OF SERVICE. Alternating current, 60 cycles, at the voltage and phase of the Cooperative's established primary or secondary distribution system immediately adjacent to the service location.

MONTHLY CHARGE. Each billing period the member shall be obligated to pay the following charges in addition to all charges indicated on his/her base rate:

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| Member Charge: | Determined by Rate Classification |
| Energy Charge: | Determined by Rate Classification |
| System Monthly Average Cost (Net G): | \$0.0605125 per kWh |

INTERCONNECTION COSTS. As determined at the sole discretion of the Cooperative on a non-discriminatory case-by-case basis to recover any additional expenses caused by the Member's generation facility to include costs of engineering, connection, switching, metering, transmission,

distribution, safety provisions and administrative expenses related to the installation and maintenance of the physical facilities necessary to permit interconnected operations.

BILLING AND PAYMENT. The Cooperative shall render a bill for consumption at approximately 30-day intervals during the Cooperative's normal billing interval.

Billing by the Cooperative to the Member shall be in accordance with the applicable rate schedule. For electrical energy delivered by the Member to the Cooperative (net generator), the Cooperative shall pay the system monthly average cost. Payment for net generation shall be limited to 20% of the member-generator's anticipated electrical load requirement unless otherwise approved by the General Manager monthly. Any such amount shall be paid at least annually.

TERMS AND CONDITIONS

- a. No such apparatus or device shall be attached or energized that could either cause damage to the cooperative's system or equipment or present an undue hazard to utility personnel.
- b. Within twenty (20) business days of written notification and application of the member's intent to construct and install generation, the Cooperative shall provide the member a written estimate of all costs that will be incurred by the Cooperative and billed to the member to accommodate the interconnection. The member may be required to reimburse the Cooperative for any engineering or operation studies, equipment, facilities, protective equipment, or upgrades required solely because of the installation by the member of generation in parallel with the Cooperative's service.
- c. The Cooperative will supply, own, and maintain all necessary meters and associated equipment utilized for billing. In addition, and for the purposes of monitoring member generation and load, the Cooperative may install at its expense, load research metering. The member shall supply, at no expense to the Cooperative, a suitable location for meters, easement and access, and associated equipment used for billing and for load research.
- d. The member shall furnish, install, operate, and maintain in good order and repair and without cost to the Cooperative, such relays, locks and seals, breakers, automatic synchronizer, and other control and protective apparatus as shall be designated by the Cooperative as being required as suitable for the operation of the generator in parallel with the Cooperative's system.
- e. The member shall install and maintain a visible disconnect switch. This switch must have the capability to be locked out by Cooperative personnel to isolate the Cooperative's facilities in the event of an electrical outage on the Cooperative's transmission and distribution facilities serving the member. This isolating device shall also serve as a means of isolation for the member's equipment during any member maintenance activities, routine outages, or emergencies. The Cooperative shall give notice to the member before a switch is locked or an isolating device used, if possible; and otherwise, shall give notice as soon as practicable after locking or isolating the member's facilities.
- f. The Cooperative may require a special agreement for conditions related to technical and safety aspects of parallel generation.
- g. The member shall notify the Cooperative prior to the initial energizing and start-up testing of the member-owned generator, and the Cooperative shall have the right to have a representative present at such test;
- h. If harmonics, voltage fluctuations, or other disruptive problems on the Cooperative's system are directly attributable to the operation of the member's system, such problem(s) shall be corrected at the member-generator's expense and may be added to the member-generators monthly Cooperative billing.

- i. For the purposes of ensuring the safety and quality of Cooperative system power, the cooperative shall:
 - i. Have the right to require the member, at certain times and as electrical operating conditions warrant, to limit the production of electrical energy from the generating facility to an amount no greater than the load at the member's facility of which the generating facility is a part.
 - ii. Have the right to disconnect the member-generator's facilities subject to the Cooperative's Rules and Regulations as adopted by the Board of Trustees.
- j. The Cooperative shall not be liable directly or indirectly for permitting or continuing to allow an attachment of the facility or for the acts or omissions of a member-generator that cause loss or injury, including death, to any third party. The member-generator agrees to hold the Cooperative harmless from injury or property damage incurred by any person and arising out of the ownership, operation, maintenance, or use of the parallel generation facility and to indemnify the Cooperative against all liability and expense related thereto.
- k. The meter is the property of the Cooperative. Each meter connected under this service defines a member-generator and is the point of ownership transition between the Cooperative and the member-generator.
- l. A generator owned or operated by a member-generator cannot be connected in common with any other meter or be deemed to be for the purpose of serving the load connected to any other meter. To the extent that the member-generator controls the DG/QF and meets the requirements and accepts all the obligations of this Rider, the member-generator is not required to own the generating facilities.
- m. A member who uses the operation of a generator in connection with irrigation pumps shall not have more than ten (10) irrigation pumps connected to generators be attached or connected to the Cooperative's system.
- n. Service under this Rider is subject to the Cooperative's Tariff as adopted by the Board of Trustees and any subsequently approved modifications that may be adopted by said Board.

SALES TO MEMBER. Sales to a DG/QF member shall be consistent with the applicable retail rate tariff established by the Cooperative and as in use by the member if there were no Distributed Generation or Qualifying Facility installation.

DISCONTINUANCE OF PURCHASES. The Cooperative may discontinue metering, purchases, and sales during system emergencies if such would contribute to the emergency.

DATA ACCESS – COMMUNICATIONS LINK. In addition to all other charges, the Member will provide the Cooperative at his/her own expense a communications link as approved at the sole discretion of the Cooperative for remotely obtaining meter readings at a time or times of the month as determined at the Cooperative's sole discretion if so requested by the Cooperative.

CONTRACTS. An interconnection agreement between the member and the Cooperative shall be required in all cases.