

## **5.2 COGENERATION AND SMALL POWER PRODUCTION**

The District will offer to purchase electric energy from cogeneration and small power production facilities with a capacity of 20 MW or less, which qualify under Section 201 of the Public Utility Regulatory Policy Act (PURPA) of 1978, at rates which are just and reasonable to ratepayers and do not discriminate against the cogenerator or small power producer.

All guidelines and requirements identified in Section 201 and 210 of PURPA of Cogeneration and Small Power Production shall be followed. Also, all generators must comply with the NESC, NEC, and IEEE Standards.

Contracts for the sale of electric energy from a Qualified Facility (QF) or Distributed Generation (DG) facility will be made between the owner/operator and the District.

### **A. Generation Facilities – 25kW and Below – Net Metering**

The District recognizes its obligation to provide an interconnection to qualifying facilities that are eligible for net metering and will comply with all applicable laws and rules governing net metering and distributed generation, as set forth in Nebraska Revised Statutes 70-2001 through 70-2005.

#### **1. Definitions**

- a. Avoided Cost.** The incremental costs to the District of electric supply which, but for the purchase from the qualifying facility, the District would purchase from another source. The avoided cost shall be as is shown in the District's AC-1 rate schedule for small renewable generation.
- b. Customer-Generator.** The party that is in control of the qualified facility that is located on premises owned, leased, or otherwise controlled by the party.
- c. Interconnection Application.** Form to be used by the customer generator to submit its formal request for interconnection to the distribution system. Application must be received at least 60 days prior to interconnection.
- d. Interconnection and Service Agreement.** The written agreement between the customer-generator and the District that outlines the requirements and obligations of both the customer-generator and the District.

- e. **Net Metering.** The measured difference between the electricity supplied to a customer-generator by the District and the electricity generated by the customer-generator and delivered to the District at the same point of interconnection.
- f. **Rated Generating Capacity.** The maximum continuous kW generation capacity at the generation source as described by the manufacturer. If a maximum continuous kW generation capacity is not provided, a peak value will be used.
- g. **Qualified Facility.** Is as defined in Nebraska Statute §70-2002 (7).

## 2. Eligibility

- a. **Customer Status.** The customer-generator must be a customer in good standing with the District.
- b. **Interconnection Application.** The Customer shall complete and submit to the District a *Small Renewable Generator Interconnection Application*, no less than 60 days prior to interconnection with the distribution system operated by the District and shall meet with an individual designated by the District for the purpose of discussing the proposed generator characteristics and allowing the District's input in sizing the load for the proposed customer-generator. The Customer shall provide detailed information on equipment nameplate data, the system site plan, the interface device and control system information, the Customer's power source, and a one-line electrical diagram.
- c. **Interconnection and Service Agreement.** The District and the Customer shall execute a *Small Renewable Energy Generation Interconnection and Service Agreement* and abide by all the terms and conditions therein.
- d. **Payment of Interconnection Costs.** The customer-generator shall pay the District for all costs incurred by the District for equipment or services required for interconnection of the qualified facility unless otherwise provided for in statute.
- e. **Nebraska's Net Metering Law.** The qualified facility must meet the requirements of Nebraska's net metering law §70-2002 (7):
  - (1) Has a total aggregate rated generating capacity, from single or multiple generators of twenty-five kilowatts (25kW) or less and shall operate at a

measured capacity of less than at or below 25 kW at all times at one location behind a single meter.

- (2) To qualify as a small renewable generator, the generator's energy source shall be methane, geothermal, solar, wind, biomass, or hydropower.
  - (3) The generator must be located on premises that are owned, operated, leased, or otherwise controlled by the retail Customer.
  - (4) Operation of the Customer's generation facilities will be in parallel with the District's distribution system.
  - (5) The intended use of the generation facility shall be to offset part or all, but not exceed, the Customer's requirements for electric energy at the location of the facility, and not at another location.
  - (6) The Customer's generation facility shall meet all safety and performance requirements of the District, and all applicable federal, state, and local regulations and interconnection standards established by the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, and the Underwriters Laboratories. These requirements include being equipped to provide for immediate automatic shutdown or separation of the Customer's generator and the District's system in the event of momentary or extended loss of power from the District in the event of an electrical power outage or other conditions where the line is de-energized, including loss of one or more phases if the Customer is generating three phase power. The shutdown or separation must continue until normal utility service is restored. The Customer shall be liable if the Customer's protection system fails to function.
  - (7) Net Metering shall only be available for those services that are billed monthly. Therefore, seasonal services are not eligible for net metering.
- 3. Inspection.** The interconnection of the Customer's renewable generation facility shall be inspected and approved by a State of Nebraska electrical inspector, and a copy of the state electrical inspection form has been provided to the District.
- 4. Metering.** Energy purchased by the District from such facilities shall be metered separately with a two-meter installation. All costs for metering incurred on a cogeneration or small power production installation shall be paid for by the Customer.

5. **Monetary Credits.** In months when the customer-generator generates more electricity than is consumed, all such excess energy will be expressed as a monetary credit equal to the avoided cost per kW-hour for the District, as calculated by the District's AC-1 rate schedule, for the month of generation. Monetary credits shall be applied to subsequent bills of the customer-generator and shall offset the cost of energy owed by the customer-generator. At the end of the billing year, any excess monetary credits shall be paid out to the customer-generator to coincide with the final bill of each annual cycle. Credits will not be carried over from one billing year to another.
6. **Bill Calculation.** Bills will be calculated monthly. A customer-generator receiving service under this policy will be subject to the same retail rate as those who are not generators. Customer-generators served under this rate remain responsible for all charges from their normal rate schedule including monthly minimum charges, customer charges, horsepower charges, meter charges, facilities charges, demand charges and surcharges.
7. **Limit of Net Metering Facilities.** At a time when the total generating capacity of all customer-generators using net metering is equal to or in excess of one percent of the rated capacity necessary to meet the District's average aggregate customer monthly peak demand forecast for the calendar year, the District may deny net metering service to additional customer-generators.
8. **Annual Reporting.** If the District has not installed a second meter, the customer-generator will be asked to annually submit generation data for their qualified facility to assist the District in complying with state net metering reporting requirements.

The District will submit data to the Nebraska Power Review Board and will publish the same data on the District website. Such data will include the total number of qualified facilities, total estimated rated generating capacity of qualified facilities, total estimated net kilowatt-hours received from customer-generators, and total estimated amount of energy produced by the customer-generator.

- B. **Generation Facilities Above 25 KW but 20 MW or Less.** Qualified generation above 25 KW but 20 MW or less will be considered on a case-by-case basis by the District. The size of the generator above 25 KW that may be allowed to interconnect with the District's distribution system will be based on service capacity size and consumptive usage, as well as on the District's approved interconnection standards.
  1. **Energy Source.** Eligible fuel sources shall meet the requirements of a PURPA defined qualifying facility that uses renewable resources to generate electricity.

- 2. Agreements.** The Customer shall comply with all notification, interconnection, approvals, and other requirements established by the District, including execution of a generator interconnection agreement.
  - 3. Environmental Attributes.** Customers shall maintain ownership of all current and future attributes of environmental nature, such as green tags and certificates, associated with the output of their generation.
  - 4. Bill Calculation.** Bills will be calculated monthly based upon a simultaneous buy/sell billing methodology, as follows. The Customer will buy all energy that is consumed, including both the energy from the District's electric system and the Customer's generator, under the provisions of the Customer's standard rate schedule. The Customer will sell and receive a monetary credit for the total energy output of the generator. The value of the monetary credit is provided by the District's wholesale power provider, Nebraska Public Power District, and is based on the Southwest Power Pool's Integrated Market Price hourly data recorded for the month. Monetary credits will carry forward to subsequent monthly billing cycles. Any monetary credits remaining after the last billing of the calendar year shall be paid to the Customer.
- C. Generation Facilities Over 20 MW.** Pursuant to Section 210(m) of PURPA, the District has been relieved from the obligation to purchase energy or capacity from PURPA qualifying facilities of over 20 MW that are located within the Southwest Power Pool.