

Hutchinson Utilities Commission
Parallel Generation (40 kW or Less) – Net Energy Billing

Amended February 25, 2015

1. Effective In

All territories served by Hutchinson Utilities Commission (HUC).

2. Availability

Available to single-phase and three-phase customers where a part or all of the electrical requirements of the customer are supplied by the customer's generating facilities, where such facilities have a total generating capability of 40 kW or less, where such facilities are connected in parallel with HUC and where such facilities are approved by HUC.

The budget payment plan shall not be available to customers with parallel generation.

3. Rate

The customer shall be billed monthly on a net energy basis and shall pay the fixed charge and energy charge as specified in HUC's rate schedule under which the customer is served.

If, in any month, the Customer's bill has a credit balance of \$100 or less, the amount shall be credited to subsequent bills until a debit balance is reestablished. If the credit balance is more than \$100, the utility shall reimburse the customer by check upon request.

Monthly credits shall be computed by taking the net excess kilowatt-hours produced times the average annual wholesale cost of power from the previous year.

4. Metering and Services Facilities

HUC shall utilize an electric meter capable of measuring electric energy in both the forward and reverse direction.

5. Contract Required

A contract (Contract for Parallel Generation Facilities (40 KW or Less)) is required between HUC and the customer-owned generation facility. The contract shall specify safety, system protection, and power quality requirements that

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generators must comply with. Contracts with customer-owned generation facilities selling energy under the standard (non-negotiated) rate have no specific term or length.

6. Customer Obligation

a. Metering Facilities

The customer shall furnish, install and wire the necessary service entrance equipment, meter sockets, meter enclosure cabinets, or meter connection cabinets that may be required by HUC to properly meter usage and sales to HUC

b. Interconnection Costs

The owner of the generating facility shall be required to pay all interconnection costs, incurred by HUC. The owner shall pay said costs prior to the final service connection to the Utility's electrical system

c. Insurance Hold Harmless and Government Approval

The customer shall keep in force a policy of liability insurance, of at least \$300,000.00, against personal or property damage to the utility's system, equipment and personnel arising from the installation, interconnection, and operation of the customer's generating facility. The customer shall provide proof of insurance to HUC on an annual basis with said policy specifically naming HUC as an insured.

The customer shall indemnify and hold HUC harmless from all claims of damage whatsoever.

The customer is responsible for obtaining all governmental permits and approvals.

d. Interconnection and Operational (Safety and Power Quality) Requirements

Electric Service to a customer-owned electric generation installation may be disconnected for failure to comply with the following requirements.

- 1) Interconnection of a generating facility with the HUC system shall not be permitted until application has been made to and approval received from HUC. The Utility may withhold approval only for good reason such as failure to comply with applicable HUC or governmental rules or laws. HUC shall require a contract specifying

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reasonable technical connection and operating aspects for the parallel generating facility.

- 2) HUC may require that for each generating facility there is provided, between the generator/s and the utility system, a lockable load-break disconnect switch. For installations interconnected at greater than 600 volts, a fused cutout switch may be substituted, where practicable. The switches shall be accessible to HUC for the purpose of isolating the parallel generating facility from the HUC system when necessary.
- 3) HUC shall require a separate distribution transformer, where necessary, for a customer having a generating facility for reasons of public and employee safety or where the potential exists for the generating facility causing problems with the service of other customers.
- 4) HUC shall require that each generating facility have a system for automatically isolating the generator from HUC's system upon loss of the HUC supply, unless HUC desires that the local generation be continued to supply isolated load.
- 5) HUC shall require that the customer discontinue parallel generation operations when it so requests and HUC may isolate the generating installation from its system at times. During such times, HUC shall not be liable for revenue lost by the customer. Parallel generation may be disconnected:
 - a) When considered necessary to facilitate maintenance or repair of HUC's facilities.
 - b) When considered necessary during system emergencies.
 - c) When considered necessary during such times as the generating facility is operating in a hazardous manner, or is operating such that it adversely affects service to other customers or to nearby communication systems or circuits.
- 6) The owner of the generating facility shall be required to make the equipment available and permit entry upon the property by electric and communication utility personnel at reasonable times for the purpose of testing isolation and protective equipment, evaluating the quality of power delivered to HUC's system and testing to

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determine whether the local generating facility is the source of any electric service or communication systems problems.

- 7) The power output of the generating facility shall be maintained such that the frequency and voltage are compatible with normal HUC service and do not cause that HUC service to fall outside the prescribed limits of Commission rules and other standard limitations.
- 8) The generating facility shall 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 customers, and in a manner that does not produce undesirable levels of harmonics in the HUC power supply. The customer agrees to disconnect the generating facility from HUC's distribution system or reimburse HUC for the cost of necessary system modifications if operation of the generating facility causes radio, television, internet, or electrical service interference to other customers, or interference with the operation of HUC's electrical system.
- 9) The owner of the generating facility shall be responsible for providing protection for the owner's equipment and for adhering to all applicable national, state and local codes.
- 10) Customer agrees to locate the generating facility so as to not interfere with HUC's distribution system. Customer agrees that the installation shall be in compliance with all applicable electric codes and the generating facility shall be operated only after the installation has been inspected and approved by appropriate authorities. Customer agrees to obtain all required permits, abide by all building and zoning requirements and applicable inspections.
- 11) The customer agrees to reimburse HUC for any addition, modification, or replacement of distribution components made necessary by the customer's installation.
- 12) Customer agrees to effectively install grounding and provide surge arrester protection to prevent lightning damage to HUC's distribution system.

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7. Utility Obligation

a. Metering Facilities

HUC shall own and install an appropriate meter in order to record all flows of energy necessary to bill in accordance with the charges and credits of the rate schedule.

b. Notice to Communication Firms

HUC shall notify telephone utility and cable television firms in the area when it knows that a customer-owned generating facility is to be interconnected with its system. This notification shall be as early as practicable to permit coordinated analysis and testing in advance of interconnection.

8. Right to Appeal

The owner of the generating facility interconnected, or proposed to be interconnected, with HUC's system may appeal to the Commission should any requirement of HUC's service rules or the required contract be considered to be excessive or unreasonable. Such appeal shall be reviewed and the customer notified of the Commission's determination.

Contract for Parallel Generation Facilities (40 kW or Less)

This contract is entered into _____, by Hutchinson Utilities Commission (hereafter called "Utility") and _____ (hereafter called "Customer").

RECITALS

Per MN Statute 216B.1611, the Utility shall request the following information for interconnection of distributed renewable generation.

- 1) The name plate capacity of the facility _____(kW)
- 2) The pre-incentive installed cost of the generating facility _____
- 3) The energy source of the facility _____(Solar, Wind, etc.)
- 4) Location of the facility _____

The Customer is prepared to generate electricity in parallel with the Utility.

The Customer meets the requirements of the Utility's rules on parallel generation and any technical standards for interconnection the Utility has established that are authorized by those rules.

The Utility is obligated under Federal and Minnesota law to interconnect with the Customer and to purchase electricity offered for sale by the Customer.

AGREEMENTS

The Customer and the Utility agree:

1. The Utility shall sell electricity to the Customer under the rate schedule in force for the class of customer to which the Customer belongs.
2. Payment per KWH for energy delivered to the Utility, in excess of energy used by the Customer. \$ _____ see #3, Rate, Hutchinson Utilities Commission Parallel Generation (40 kW or Less) – Net Energy Billing policy.
3. The rates for sale and purchase of electricity may change over the time this contract is in force, due to actions of the Utility. The Customer and the Utility agree that sales and purchases shall be made under the rates in effect each month during the time this contract is in force.
4. The Customer must operate its electric generating facilities within any rules, regulations, and policies adopted by the Utility, which provide reasonable

technical connection and operating specifications for the customer (Hutchinson Utility Commission's rules and regulations applicable to parallel generation are attached).

5. The Customer will operate its electric generating facilities so that they conform to the national, state, and local electric and safety codes, and will be responsible for the costs of conformance.
6. The Customer is responsible for the actual, reasonable costs of interconnection which are estimated to be \$_____. The customer shall pay the Utility in this manner:_____.
7. The Customer shall provide the Utility reasonable access to its property and electric generating facilities in the event the configurations of those facilities do not permit disconnection or testing from the Utility's side of the interconnection. If the Utility enters the Customer's property, the Utility shall remain responsible for its personnel.
8. The Utility may discontinue providing electricity to the Customer during a system emergency. The Utility shall not discriminate against the Customer when it discontinues providing electricity or when it resumes providing electricity.
9. The Utility may discontinue purchasing electricity from the Customer when necessary for the Utility to construct, install, maintain, replace, remove, investigate, or inspect equipment or facilities within its electrical system. The Utility shall notify the Customer prior to discontinuing the purchase of electricity in this manner: _____.
10. The customer shall keep in force a policy of liability insurance, of at least \$300,000.00, against personal or property damage to the Utility's system, equipment and personnel arising from the installation, interconnection, and operation of customer's generating facility and shall provide annual proof of the insurance to the Utility with said policy specifically naming the Utility as an insured. The customer agrees to indemnify and hold harmless the Utility from all claims whatsoever arising from customer's generating system.
11. This contract becomes effective when signed by the Customer and the Utility. This contract will remain in force until either the Customer or the Utility provides written notice to the other that the contract is canceled. This contract shall be canceled 30 days after notice is given.
12. This contract does not serve as an approval of the Customer's generating system for planning, zoning or permit purposes. The Customer shall have the responsibility to obtain proper approval and permits from the City of Hutchinson or other governmental entities pertaining to the construction and operation of the Customer's generating system.

13. This contract contains all the agreements made between the Customer and the Utility. The Customer and the Utility are not responsible for any agreements other than those stated in this contract.

THE CUSTOMER AND THE UTILITY 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.

Customer _____ HUTCHINSON UTILITIES COMMISSION

By _____ By _____

Date: _____ Date: _____