

**SUBJECT: MEMBER-OWNED or DISTRIBUTED GENERATION**

**POLICY:** Emergency and standby generators are permitted if the generator and the installation comply with National Electrical Code and the requirements set forth below.

Distributed generation (DG) on member premises is allowed by Cooperative upon compliance with the following requirements and subject to the following:

The maximum member DG, wind, or solar system shall be no more than 10 kW capacity. Systems exceeding this size will not qualify for sales of excess power back to the Cooperative. There shall be no aggregation of Distributed Energy Resources on the Cooperative's network.

The Cooperative is in an all-requirements power supply contract with the New York Power Authority until 2040. Therefore, Cooperative has set the maximum load permissible on the entire system at \_\_\_\_ kW of aggregated capacity. Individual installations are allowed on a first come first served basis until the aggregated load limit is reached. Substantial analysis performed by Cooperative determined the ideal amount of member-owned solar system loads on the Cooperative's network. The Cooperative's power supply primarily comes from hydropower (~85%) so allowing members to replace hydropower supply with diverse distributed generation supplies would be less centralized and more expensive to administer. The renewables portion of incremental power purchases by Cooperative from the New York Power Authority is growing as well so the Cooperative is becoming more renewable as a utility. Distributed generation resources do not produce when the wind stops blowing and the sun stops shining and the Cooperative's biggest system peaks are in the wintertime when these resources are producing their lowest outputs. The Cooperative prefers using methods to maximize the efficient use of available hydropower.

**Emergency or Standby Generation**

Member-owned emergency or standby generation that is intended to serve the member only during outages shall be connected to the member's service using an approved transfer switch. The installation shall be inspected and approved by a Cooperative-approved licensed electrical inspector. In no case shall an emergency or standby generator connect to Otsego Electric Cooperative's distribution lines.

**Generation Connected in Parallel**

Member-owned generation that is designed to supplement power supplied by the Otsego Electric Cooperative and is operated in parallel with the Cooperative's supplied power, shall be connected using approved interconnection equipment that meets the IEEE 1547 Standard for Interconnecting Distributed Resources with Electric Power Systems, as well as all National Electric Code (NEC) and National Electric Safety Code (NESC) requirements. This includes the following requirements:

- The installation shall be inspected and approved by a Cooperative approved licensed electrical inspector.
- The generation equipment must be automatically disconnected from the Cooperative's facilities whenever the Cooperative has an outage and no Cooperative power is supplied to the member.
- A readily accessible means of visible disconnect must always be available to Cooperative personnel. Cooperative personnel must have access to lock and tag this disconnect in the open position when system maintenance is required.

If additional costs are incurred to meter power flows, the member will reimburse the Cooperative for all added costs. The Cooperative will meter power flows into the consumer's premises and charge the member based on the usual rate class. Power that flows out of the member's premises is metered by Cooperative separately and a credit to the member's account will be calculated on this metered power flow.

- The amount of credit will be equal to the Cooperative's avoided cost of power as shown on RUS Form 7 in Part L. kWh Purchased and Total Cost – Average Cost Per kWh. This avoided cost is the cost of power plus transmission, corrected for system losses, to the member's meter. Loss corrections for power and transmission will be equal to those used to compute current monthly

consumer bills. The cost includes a correction for losses using the percentage losses in the prior calendar year.

All other costs included in the usual rate class to the member are costs that are for a fixed Demand Charge based on the amount of power purchased by the member from the cooperative as determined at one point in time annually plus the costs of fixed facilities that must exist to serve the member, for operations and maintenance and for other services that must be provided to the member in conjunction with electrical service. These must be provided whether the member has their own generation and, therefore, may not be avoided.

**Application**

Member shall submit a Distributed Generation Application for OEC review before construction and interconnection.

**CROSS REFERENCE:** This policy supersedes any contradictory provisions in the Member Rates Policy except regarding the applicable monthly service charge.

**RESPONSIBILITY:** CEO and Board of Directors

*Reviewed and Approved by the Board of Directors – 07/30/2018*

*Revised and approved – 12/25/2020*

*Revised and approved -- \_\_\_\_\_*