

OTSEGO ELECTRIC COOPERATIVE, INC.

Policy No. 308

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

**POLICY:** **NOTE:** Failure to comply with this Policy shall result in immediate suspension of service due to presentation of health risks to Cooperative employees. The Cooperative reserves the right in the future to establish a class for billing based on use and availability of distributed generation such that minimum service charges, demand charges, energy charges, and fees will be required to meet Cooperative costs of service as long as Member continues to be connected to the Cooperative's grid.

**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 be connected to Otsego Electric Cooperative's distribution lines.

**Capacity Limit and Conditions**

Distributed generation (DG) must be solely member owned. Article I Section 5 of OEC's bylaws requires all members to purchase all of their electricity from the Cooperative subject to board discretion for self-generation. The Cooperative has decided to allow the installation of DG to a limited extent only for member usage, this determination shall not be assumed to be permanent. If it is in the Cooperative's best interest to suspend or terminate such generation or the Cooperative's acceptance of excess load generation, the Cooperative reserves the right to cancel this permission at any time upon 30 days' prior notice. The capacity of any such DG system must be limited to no more than one system of not more than 10 kW AC per membership (or joint membership). The Cooperative will only pay avoided cost for excess power supply generated by the DG system. Cooperative reserves the right to impose minimum monthly service charges, demand charges, or other charges in accordance with the Cooperative's bylaws and member rate policy.

**Generation Connected in Parallel**

Member-owned generation policy 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 be available to Cooperative personnel at all times. Cooperative personnel must have the ability to lock and tag this disconnect in the open position when system maintenance is required.

If additional costs are required to meter or connect member-owned DG, the member will reimburse the Cooperative for all added costs.

The Cooperative will meter energy flows into the consumer's premises and charge the member at the appropriate rate as set forth in Policy 301 – Member Rates, as they may change from time to time. Energy that flows out of the member's premises will be metered separately and a credit to the member's account will be calculated on this metered power flow at avoided cost.

- The amount of the credit will be equal to the Cooperative's avoided cost of power as shown on CFC Form 7 in Part L. kWh Purchased and Total Cost – Average Cost Per kWh.

The minimum monthly charge shall be the "Member Charge" as set forth in the appropriate member rate policy, based on service class as it may change from time to time.

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

**RESPONSIBILITY:** CEO and Board of Directors

*Reviewed and Approved by the Board of Directors – 05/26/2026*  
*Revised and Approved – 05/26/2026*

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POLICY NO. 308 - APPENDIX A: MEMBER-OWNED DISTRIBUTED GENERATION  
**APPLICATION PROCEDURES**

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**Single-Phase attachment of inverter/converter based parallel Distributed Generation (DG)  $\leq$ 10kW AC**

This application will be used by Otsego Electric Cooperative, Inc. (OEC) to determine the required equipment configuration for the interface to OEC's electric distribution system. The member must complete the entire application prior to beginning any installation. Failure to complete and submit the application before installing DG equipment (Solar, Battery, Wind, Generators, or any other device capable of creating back-feeding of power onto OEC's grid) shall result in the immediate suspension of service at the premises until the member is in full compliance as set forth.

The following are general guidelines to be followed by the member and OEC for the interconnection of distributed generation not to exceed 10kW AC of capacity with OEC's electrical distribution system.

- 1) The member reviews the application requirements including Information Requirements; Application Form; Sample Installation Diagrams; and the OEC Interconnection Agreement for Distributed Generation.
- 2) The member completes the Application Form and returns it and related informational requirements to OEC along with a signed copy of the Information Request and payment of a \$225.00 administrative fee (check payments should be made out to "OEC").
- 3) OEC reviews the Application Form and, if deemed necessary, conducts a field visit to evaluate the site-specific conditions. The member will be charged a Trip Charge (OEC Fee & Rate Schedule) if deemed necessary by OEC for each subsequent field visit required beyond the first.
- 4) OEC provides the member with a written estimate for the cost of interconnection.
- 5) Member signs an Interconnection Agreement for Distributed Generation not to exceed 10kW AC, and if requested provides proof of insurance.
- 6) Contractor performs the installation work according to the approved drawings and data sheets but does not electrically connect the member-owned distributed generation equipment to the OEC distribution system until OEC provides written permission.
- 7) Member acquires and provides proof of inspection, by an OEC approved electric inspector, to OEC.
- 8) OEC installs the bi-direction metering equipment and may perform an on-site verification of the installed equipment to perform a functional test of the members distributed generation to confirm anti-islanding operation.
- 9) Applicant receives written permission to connect the distributed generation to OEC's electrical distribution system.
- 10) Applicant agrees to provide verbal and written notice to OEC before making any changes to the inspected member-owned DG.



**Otsego Electric Cooperative, Inc.**

A Touchstone Energy® Cooperative



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**POLICY NO. 308 - APPENDIX A: MEMBER-OWNED DISTRIBUTED GENERATION  
APPLICATION FORM**

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**Single-Phase attachment of inverter/converter based parallel Distributed Generation <=10kW AC**

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**Member Information**

Name(s): \_\_\_\_\_ ; \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: (     ) \_\_\_\_\_ - \_\_\_\_\_

Account #: \_\_\_\_\_

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**Consulting Engineer or Contractor**

Name(s): \_\_\_\_\_ ; \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: (     ) \_\_\_\_\_ - \_\_\_\_\_

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**Estimated In-Service Date:** \_\_\_\_ / \_\_\_\_ / \_\_\_\_

**Existing Electric Service:** Capacity: \_\_\_\_\_ Amperes Voltage: \_\_\_\_\_ Volts

**Location of Protective Interface Equipment on Property:** \_\_\_\_\_

\_\_\_\_\_

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**Energy Producing Equipment/Inverter Information**

Manufacturer: \_\_\_\_\_

Model No. \_\_\_\_\_ Version # \_\_\_\_\_

Synchronous: ☐ Induction: ☐ Inverter: ☐ Other: \_\_\_\_\_

Rating: \_\_\_\_\_ kW Rating: \_\_\_\_\_ kVA Interconnection Voltage: \_\_\_\_\_ Volts

System Type Tested – Total System: Yes: ☐ No: ☐ (If No, Attach Product Literature)

Equipment Type Tested – (i.e. Inverter, Protection System): Yes: ☐ No: ☐ (If No, Attach Product Literature)

One Line Diagram Attached: Yes: ☐ Installation Test Plan Attached: Yes: ☐

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**Member Signature**

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**Date**

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## AGREEMENT FOR INTERCONNECTION OF MEMBER-OWNED DISTRIBUTED GENERATION

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### Single-Phase attachment of inverter/converter based parallel Distributed Generation $\leq 10\text{kW AC}$

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This Interconnection Agreement ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by the Otsego Electric Cooperative, Inc., ("OEC"), a corporation organized under the laws of the State of New York, and \_\_\_\_\_, ("Member"), each hereinafter sometimes referred to individually as "Member" or "Party" or both referred to collectively as the "Parties". In consideration of the mutual covenants set forth herein, the Parties agree as follows:

This Agreement provides for the safe and orderly operation of the electrical facilities interconnecting the Member's distributed generation facilities at \_\_\_\_\_ (project location or address) ("the Facilities") and the electrical distribution system owned by OEC ("the System"). The point of interconnection between the Facilities and the System shall be defined as the weatherhead for overhead service entrances or the meter pan for underground service entrances.

This Agreement is subject to the by-laws, applicable rates, rules, and regulations in place between the Member and OEC.

- 1) **Intent of Parties:** It is the intent of the Member to interconnect an electric power generator to OEC's electric distribution system ("the interconnection"). It is the intent of OEC to operate the distribution system to maintain a high level of service and power quality to its members. It is the intent of both parties to operate their respective facilities in a way that ensures the safe and reliable provision of electric service.
- 2) **Operating Authority:** The Member is responsible for maintain and complying with established operating procedures and standards. The Member shall ensure that any operator of the facilities is competent in the operation of the Facilities and is aware of the provisions of any operating agreements and regulations relating to safe operation of electrical power systems.
- 3) **Member/Operator in Charge:** The operator in charge is the Member responsible for the real-time operation of all electric facilities related to the interconnection and owned by Member.

The Member owning and/or operating the Distributed Generation is:

Name or title of member: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: (     ) \_\_\_\_\_ - \_\_\_\_\_

- 4) **Suspension of Interconnection:** The interconnection shall not compromise OEC's system protection or system operation. The operation of the Member's Facilities and the quality of electric energy supplied by the Member shall meet the standards specified by OEC. If the operation of the Distributed Generation Owner/Operator's Facilities does not meet the standards as specified, then OEC will notify the Member to take reasonable and expedient corrective action. OEC shall have the right to disconnect the Member's Facilities until compliance is reasonably demonstrated. Notwithstanding, OEC may in its sole discretion disconnect the Member's Facilities from OEC's system without notice if the operation of the Facilities imposes a threat, in OEC's sole judgement, to life, property, or the System.
- 5) **Maintenance Outages:** Maintenance outages will occasionally be required on OEC's System and OEC will provide as

much notice and planning as practicable to minimize such outages. It is noted that in some emergency cases such notice may not be practical. OEC's system may also be unavailable due to weather-related outages which are beyond the control of OEC. Compensation will not be made for the unavailability of OEC's system due to the outages.

- 6) **Access:** Access is required at all times by OEC to the Member's Facilities for maintenance, operating, and meter reading. OEC reserves the right, but not the obligation, to inspect the Member's Facilities.
- 7) **Costs of Interconnection to be borne by the Member:** OEC shall record the costs of equipment purchases, labor, applicable overheads, and all other appropriate and assignable costs incurred by OEC in connection with designing, field engineering, staking, installing, and documenting the interconnection ("Interconnection Costs"). Such costs may also be associated with the installation or modification of any metering equipment, protection devices or switches, and any power quality devices or equipment. The Member may request from OEC and will receive a non-binding written estimate of the interconnection costs. The Member shall reimburse OEC for all Interconnection Costs within 30 days of receiving an invoice from OEC. Any upgrades to the System required to accommodate the interconnection will be owned and operated by OEC.
- 8) **Payment by Member to OEC:** It is understood that the Member shall maintain active membership status in good-standing while the Facilities are in operation and, as a result, will continue to receive electrical service pursuant to the bylaws of OEC. This agreement shall terminate upon a change in membership status by the Distributed Generation Owner/Operator.
- 9) **Payment for Energy by OEC to Member as Distributed Generation Owner/Operator:** OEC shall credit the Member for any energy that is injected into the OEC electric facilities during those times when generation from Facilities exceeds the Member's load. The price paid by OEC to the Member for such energy shall be OEC's avoided cost of wholesale energy as shown on National Rural Utilities Cooperative Finance Corporation (NRUCFC) Form 7, Part L: kWh Purchased and Total Cost – Average Cost per kWh Purchased. OEC shall pay the Member for such energy once per year for the prior year's kWh or as soon as practicable after OEC receives all wholesale energy bills for the prior year. OEC shall calculate the wholesale cost of energy each January for the prior year in a manner that complies with NRUCFC guidelines for completion of Form 7, Part L.
- 10) **Tax Status:** OEC is a not-for-profit rural electric cooperative pursuant to the New York Rural Electric Cooperative Law. Nothing in this Agreement is intended to adversely affect OEC's tax status.
- 11) **Liability and Indemnification:** The Member shall assume all liability for and shall indemnify OEC from and against any claims, losses, costs and expenses of any kind or character to the extent that they result from Member's negligence or other wrongful conduct in connection with the design, construction and/or operation of the Member's facility.
- 12) **Term and Termination:** This Agreement is intended to be valid for a period of ten (10) years. It may be cancelled by either party upon not less than twelve (12) months written notice to the other party. This Agreement is subject to applicable federal, state and local laws, rules, regulations, and/or orders ("law"). If any provision of this Agreement is unenforceable under any applicable law or is held invalid, such holding shall not affect any other provision hereof, and this Agreement shall be construed as if such unenforceable or invalid provision had never been contained herein.

**Agreed to by the following:**

\_\_\_\_\_  
Member (Sign)

\_\_\_\_\_  
Member (Sign)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Otsego Electric Cooperative, Inc. Representative (Sign)

\_\_\_\_\_  
Otsego Electric Cooperative, Inc. Representative Title

\_\_\_\_\_  
Date



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POLICY NO. 308 - APPENDIX A: MEMBER-OWNED DISTRIBUTED GENERATION  
**INFORMATION REQUIREMENTS**

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**Single-Phase attachment of inverter/converter based parallel Distributed Generation  $\leq 10$  kW AC**

The Member shall furnish **ALL** of the following information to complete Otsego Electric Cooperative, Inc. (OEC)'s Engineering Review Process:

- 1) Application Form
- 2) Project Schedule
- 3) Site Plan
- 4) Description of Operation
- 5) One-Line Electrical Diagram of Complete Facility
- 6) Equipment Nameplate Data and Electrical Ratings For:
  - a. Interrupting Devices (Main Breaker, Distributed Generator Feeder Breaker) <sup>1</sup>
  - b. Line Disconnect Switch <sup>2</sup>
  - c. Inverter Equipment (Including firmware as applicable) <sup>3</sup>
  - d. Solar or Wind Turbine Generator Meter

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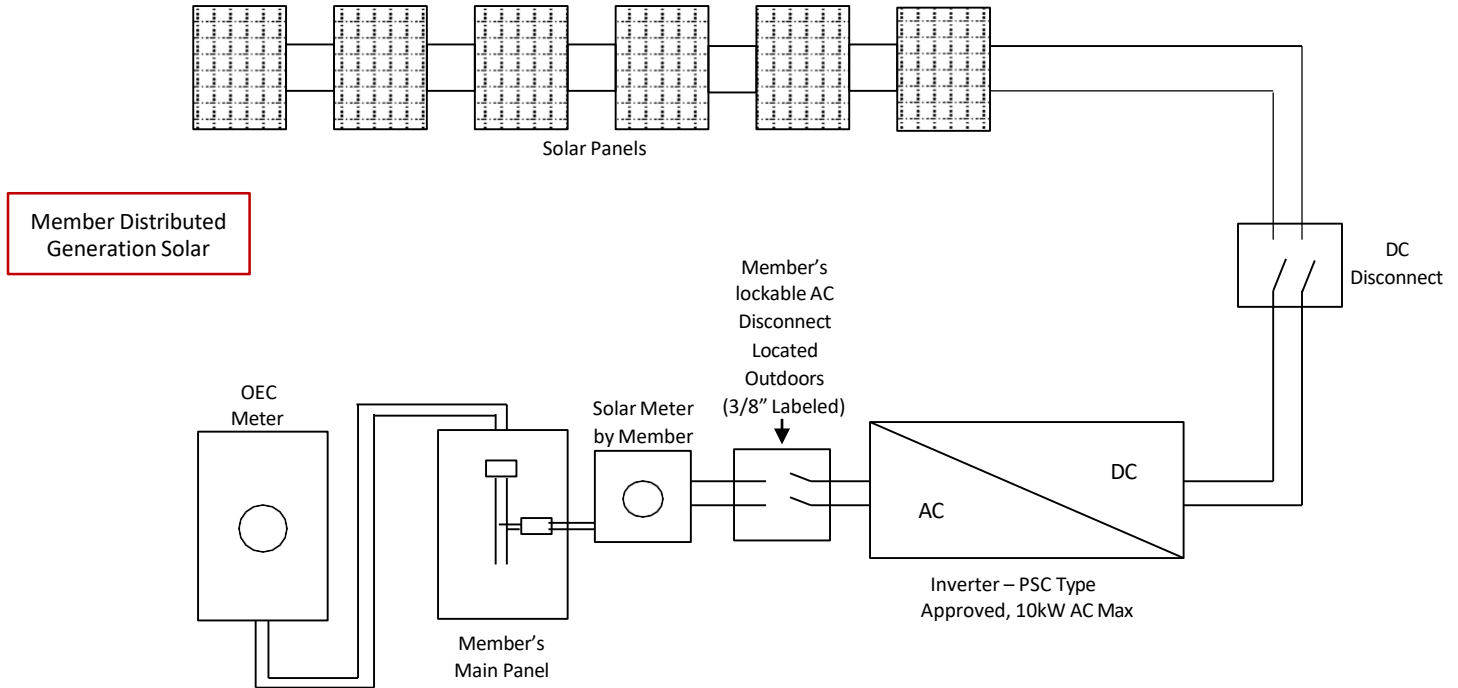
<sup>1</sup> Manufacturer, Type, Ampere Rating, Interrupting Ampere Rating

<sup>2</sup> Manufacturer, Type, Ampere Rating. Generating equipment shall be capable of being isolated from the utility system by means of an external, manual, visible, gang-operated, load break disconnecting switch. The disconnect switch shall be installed, owned, and maintained by the Member. It shall be located in the AC system between the power-producing equipment and its interconnection point with the OEC system. The disconnect switch must be rated for the voltage and current requirements of the installation. Disconnect devices shall meet applicable UL, ANSI, and IEEE standards, and shall be installed to meet all applicable local, state, and federal codes. The disconnect switch shall be clearly marked, "Generator Disconnect Switch," with permanent 3/8-inch letters or larger. The disconnect switch shall be located within ten (10) feet of OEC's external electric service meter. If such location is not possible, the Member will propose, subject to OEC approval, an alternate location. The disconnect switch shall be readily accessible for operation and locking by OEC personnel in the open position with a standard OEC, 3/8-inch shank padlock.

<sup>3</sup> Direct current generation can only be installed in parallel with the utility's system using a synchronous inverter. Only inverters designed to operate in parallel with the utility system shall be utilized for this purpose. The design shall be such as to disconnect this synchronous inverter upon a utility system interruption. Equipment must be selected from the "Certified Equipment" list maintained by the New York State PSC. Such equipment has dynamic anti-islanding protection as defined by IEEE 1547/UL 1741 and conforms to the maximum harmonic limits delineated in IEEE 519. Synchronization or re-synchronization of an inverter to the utility system shall not result in a voltage deviation that exceeds the requirements contained in Section II.E, Power Quality, of IEEE 519.

**POLICY NO. 308 - APPENDIX A: MEMBER-OWNED DISTRIBUTED GENERATION  
INFORMATION REQUIREMENTS**

Typical Member Solar Installation – 10kW AC Maximum



Typical Member Wind Turbine Generator Installation – 10kW AC Maximum

