

**EAU CLAIRE ENERGY COOPERATIVE
SERVICE POLICY**

Policy Number: 621

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Subject: New Distributed Generation

Issued: 05/28/2014

Reviewed/Approved: 04/27/2022

I. Purpose

To support distributed generation as a viable and sound means of meeting electric needs of various consumer groups and establish the procedures for supporting such service requests. These procedures shall consider issues of safety, reliability, and cost fairness.

II. Policy

- A. As a part of this support, Eau Claire Energy Cooperative voluntarily practices and utilizes the Wisconsin Public Service Commission interconnection and application forms. The Cooperative also supports and follows the Wisconsin Administrative Code, Part 119 – Rules for Interconnecting Distributed Generation Facilities.
- B. The Cooperative reserves the right to refuse interconnection to any distributed generation facility if it is suspected that such interconnection will adversely affect the safety of Cooperative personnel or the public, distribution system operations, reliability, or service to other members.
- C. According to the Federal Energy Regulatory Commission (Energy Policy Act of 2005 (Sec. 1251(11)), “net metering means service to an electric consumer under which electric energy generated by that electric consumer from an eligible on-site generating facility and delivered to the local distribution facilities may be used to offset electric energy provided by the electric utility to the electric consumer during the applicable billing period.” The purpose of net metering is to allow members to offset their individual loads, not become independent power producers. Therefore, generation should be properly sized to a member’s load. Under Eau Claire Energy Cooperative’s policy, net metering means the measurement, during the Applicable Billing Period to an Eligible Cooperative Member, of the net amount of electricity supplied by the Cooperative to the Member’s premises or provided to the Cooperative by the member.
- D. Notwithstanding any other policy, an account with a distributed generation interconnection using net metering may not have more than two off-peak meters; one for the dual fuel rate and one for the storage rate. For an account using off-peak metering programs that convert to net metering through a distributed generation interconnection, off-peak meters in excess of these two will need to be removed and the wiring modified at the member’s expense to reduce the number of meters. The Cooperative shall retain the right to shed the member’s load at such times as shed under the load management programs the member participated in up to conversion to net metering, and members using net metered distributed generation interconnections shall otherwise remain subject to Cooperative load control and management policies.
- E. Metering for dual-fuel or off-peak heat installations must be wired in parallel such as through a double or triple meter socket. Subtractive metering cannot be done with net metering. Also, any time-of-day or time-of-use rate offered by the Cooperative will not be available to any account or installation doing net metering.

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- F. The electric energy produced by the distributed generation system must originate at the member's premises. Any distributed generation systems owned by the same individual, organization, corporation or affiliates within a one mile radius will be considered one system and the generation capacity will be aggregated. The energy production capacity of a member owned distributed generation system will be deemed to be the manufacturer's name plate rating. In the event a member's maximum output measured during any 15-minute period exceeds 20 kW, the facility and interconnection shall then be governed by the appropriate size generation rules.
- G. The Cooperative shall receive any and all renewable attributes/rights associated with its purchase using net metering of the output from renewable distributed generation facilities under federal, state or local laws. Notwithstanding the foregoing, at the member's option, energy can be purchased at 'avoided cost' rather than on a net metered basis, and the member shall retain renewable attributes/rights (if any) under federal, state or local laws associated with the energy purchased, which energy would otherwise have qualified for purchase using net metering under this policy. "Avoided cost" as used in this paragraph or otherwise in this agreement will be determined monthly by Dairyland Power Cooperative as the Cooperative's wholesale power supplier.
- H. The Cooperative reserves the right to establish a maximum penetration threshold for net metered distributed generation to limit the total kW of interconnected generation that may qualify for net metering.

For Facilities under 20kW Capacity:

- A. The Cooperative shall measure and charge or credit for the net electricity supplied to eligible Cooperative members or provided by eligible Cooperative members as follows:
 - i. The energy consumed and generated offset each other, kWh for kWh, and over-generation is "banked" for future use.
 - a. If the member uses more energy than they generate, they only pay for the kWh that exceeds their generation (all other charges such as facility charges, PCA, taxes, etc. still apply).
 - b. If the member generates more than they consume, their generated kWh that exceeds consumption is "banked" to offset usage in the future months when the member generates less than they consume. For example, if the member over-generates this month by 100 kWh the bill calculation will bank that over-generation. Next month, the member uses 250 kWh more than they generate, so the bill calculation pulls 100 kWh from the banked usage (leaving banked usage at 0), only billing the member for the remaining 150 kWh (all other charges such as facility charges, PCA, taxes, etc. still apply).

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- c. For members with additional off peak meters, kWh generated will first be used to offset general purpose kWh consumed. Remaining production will be applied to other off peak meters from the highest rate meter to the lowest rate meter.
- d. The Cooperative will reconcile the banked kWh in May (May 1-April 30 look-back) of each year for any kWh remaining in the bank and pay the balance of the banked kWh at the average avoided cost rate during the previous twelve month period. The bank will then be set to 0 kWh.
- ii. The rates for sales and purchases of electricity may change over time due to Cooperative Board approved rate changes, and sales and purchases shall be made under the rates in effect for the month that any such energy is sold or produced.

For Facilities over 20kW but less than 40 kW Capacity:

- A. The Cooperative shall measure and charge or credit for the net electricity supplied to eligible Cooperative members or provided by eligible Cooperative members as follows:
 - i. The energy consumed and generated offset each other, kWh for kWh, and over-generation is paid to the member at avoided cost.
 - a. If the member uses more energy than they generate, they only pay for the kWh that exceeds their generation (all other charges such as facility charges, PCA, taxes, etc. still apply).
 - b. If the member generates more than they consume, their generated kWh that exceeds consumption is paid to the member at the average avoided cost rate during the past month. For example, if the member over-generates this month by 100 kWh the bill calculation will show a credit for excess kWh at this month's average avoided cost rate (all other charges such as facility charges, PCA, taxes, etc. still apply).
 - c. For members with additional off peak meters, kWh generated will first be used to offset general purpose kWh consumed. Remaining production will be applied to other off peak meters from the highest rate meter to the lowest rate meter.
 - ii. The rates for sales and purchases of electricity may change over time due to Cooperative Board approved rate changes, and sales and purchases shall be made under the rates in effect for the month that any such energy is sold or produced.

For Facilities over 40kW Capacity:

- A. Proposed facilities with nameplate capacity over 40 kW shall be reviewed pursuant to the Cooperative's contractual obligations, including those with Dairyland Power Cooperative, and/or applicable Federal, State and Local laws and regulations.

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III. Procedure

- A. The standard Distributed Generation Application Form for Eau Claire Energy Cooperative must be completed to the satisfaction of the Cooperative.
- B. The standard Distributed Generation Interconnection Agreement for Eau Claire Energy Cooperative must be completed to the satisfaction of the Cooperative.
- C. All distributed generation installations shall be inspected for code compliance and undergo commissioning tests including anti-islanding capabilities prior to interconnection approval. The Cooperative may hire specialists for inspection and testing which will be at the Cooperative's expense. All testing must be witnessed by Cooperative personnel or someone representing the Cooperative.
- D. If upgrades or modifications to the utility's distribution system are required to interconnect to the distributed generation facility, the member must pay the cost of these changes.

IV. Responsible

It shall be the responsibility of the Chief Executive Officer (CEO) to administer and make recommendations for any changes to this policy.