

## POLICY

### **Member-Owned Interconnected Co-Generation Facilities**

Southwestern Electric Cooperative, Inc. will work with its members who wish to purchase and install interconnected co-generation facilities and will assist in determining the benefits of owning and operating such equipment.

If a member installs a generator to serve only dedicated loads such as water or space heating without any connection to the Cooperative's distribution system, the requirements which follow will not apply. However, any member-owned co-generator that can be connected and operated in parallel with the Cooperative's distribution system must meet the following requirements to ensure safety of our employees and the public and to protect property of the Cooperative and the co-generating member.

1. The requirements and conditions which follow are for interconnected member-owned co-generation facilities rated at less than the member's distribution transformer capacity, to a maximum of 100 kW. Co-generators with ratings higher than the member's transformer capacity, and all co-generators rated at more than 100 kW, will be handled on an individual basis.
2. The Cooperative must be notified of the member's plans before the co-generator is installed and should be notified before deciding on purchase of co-generation equipment. The notification should include:
  - a. Electrical capacity in kW (both AC and DC).
  - b. Number of phases and description of the co-generator as given by the manufacturer.
  - c. Proposed location, a one-line diagram of the site and assumed wind conditions, if for a wind energy system.
  - d. The proposed means for interconnection with the Cooperative.
  - e. A certificate of insurance for the co-generation installer showing general liability insurance coverage of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate per year for the duration of the installation period.
3. The Cooperative reserves the right to inspect the generation facilities before interconnection and at any other times, and to refuse service or disconnect the system if necessary, to avoid possible hazards or an unacceptable reduction in the quality of electric service.

4. The member is solely responsible for complying with all local, state and national code requirements and for proper operations and maintenance of the system, including labeling.
5. The member is solely responsible for all costs of owning and operating the co-generator. The member will be responsible for the costs of metering, switches and other apparatus purchased and installed by the Cooperative because of the interconnection with the co-generator.
6. Electrical protection will be required to ensure safety of the member, Cooperative employees and the public and to minimize the probability of damage to property including the co-generating equipment.
7. The standard which the member is subject to and should be familiar with regarding the interconnection of his/her co-generation facility to Southwestern Electric Cooperative, Inc.'s system is the 1547-IEEE Standard for Interconnection Distributed Resources with Electric Power Systems. An Underwriter Laboratory (UL) 1741 listing for the inverter is also required.
8. The co-generator will not be allowed to operate if it interferes with the quality of electric service. If operation of the co-generator causes unacceptable voltage condition, service interruptions or communication interference, the co-generator will be shut down until the aforementioned problems have been corrected.
9. A lockable disconnect is to be provided within 10 feet and in line-of-sight of the revenue meter so the Cooperative can disconnect and lock out the cogeneration and/or battery system, if needed.
10. The member is responsible for property damage to their own property arising from the installation, interconnection and/or operation of the co-generator, as well as for any property damage to Southwestern Electric Cooperative, Inc., its employees, contractors, or representatives arising from the installation, interconnection or operation of the co-generator. Southwestern Electric recommends that the member discuss their cogeneration system with their insurance agent to determine their coverage needs.
11. The member will maintain and service the co-generating system as necessary for safe and reliable operation and will maintain a record or log, available for inspection by the Cooperative, showing when the co-generator is shut down for repairs or maintenance, when the maintenance or repair is completed, and when the co-generator is placed back in service.
12. The Cooperative will receive and pay for the energy from the member, at a rate reflecting the avoided cost because of reduced requirements from other sources. Any energy received by the Cooperative will be converted to credits by multiplying the number of kilowatt hours generated onto the distribution system

by the avoided cost and applying that credit (in dollars or fractions thereof) against the member's energy usage from the Cooperative, regardless if the member is a net purchaser or net seller of energy that month. If the member is a net purchaser of electricity during a billing period, the Cooperative shall apply any co-generation credits against the energy usage from the Cooperative for the same month. If the member is a net seller of electricity during the billing period, the credits will be banked by the Cooperative to offset any future energy purchases by the member until all credits are exhausted or until the end of the annual period, whichever occurs first. This will require a bi-directional meter to be installed by the Cooperative.

13. The annual period means the calendar year commencing on May 1 and ending on April 30.
14. If the member terminates service with the Cooperative prior to the end of the annual period, any remaining credits in the member's account shall expire with no carryover to another account or with no payment due to the member for the expired credits.
15. The rates for energy consumed on the premises of the co-generating member will be the same as for other members with the same class of service, without any distinction because of member-owned generation. In any event, the minimum monthly charge allowed per the rate schedule prevails.
16. Any credits due to the member from co-generation shall only be applied against the charge for electric energy delivered to the member from the Cooperative. No part of such credit shall be applied to taxes, fees, street or outdoor lighting, or other charges that the member remains responsible for paying.
17. An approved one-line diagram, receipt of insurance coverage for the co-generator installer, and a paid co-generation invoice are required prior to scheduling the commissioning.
18. The avoided cost is the incremental costs to the Cooperative for electric energy, capacity, or both, which the Cooperative purchases from the interconnected member instead of generating it our self or purchasing it from another supplier.
19. Effective date is January 1, 2026.

**RESPONSIBILITY:** CEO and designated management personnel

Date Adopted:	May 27, 1981	Attested:	<u>Stuart Yagow</u> Secretary
Date Reviewed:	October 22, 1986	Attested:	<u>Ronald Schaufelbeger</u> Secretary

Date Revised: March 29, 2007  
May 24, 2012 Attested: Ronald Schaufelberger  
Secretary

Date Revised: June 18, 2015 Attested: Sandy Grapperhaus  
Secretary

Date Revised: September 28, 2017 Attested: Sandy Grapperhaus  
Secretary

Date Revised: December 19, 2019 Attested: Annette Hartlieb  
Secretary

Date Revised: March 25, 2021 Attested: Annette Hartlieb  
Secretary

**DATE REVISED: DECEMBER 18, 2025** Attested: Annette Hartlieb  
Secretary