

JOE WHEELER ELECTRIC MEMBERSHIP CORPORATION
OPERATIONAL POLICY
Policy No. 227
Adopted: April 30, 2018

Subject: Interconnection Procedures for Distributed Generation

I. Objective

To establish guidelines to allow distributed generation (DG) equipment to connect to Joe Wheeler Electric Membership Corporation's (Cooperative's) electric system for parallel operation. The purpose of these guidelines is to insure the DG equipment does not cause significant degradation of the safety, power quality, or reliability to the Cooperative's system.

II. Policy

- A. The Cooperative has an all requirements contract to purchase its total electric power requirements from the Tennessee Valley Authority (TVA). Therefore, the Cooperative cannot purchase any portion of the output of DG connected to its electric system. The Cooperative can only allow the DG equipment to connect to its electric system to transmit the energy produced from the DG system to TVA. The owner of the DG system is required to obtain from TVA a Power Purchase Agreement to purchase the electrical energy produced by the DG system.

All DG systems utilizing any TVA sponsored program will fall under TVA guidelines and interconnection procedures. All information pertaining to these programs can be found on TVA's website: www.tva.com.

Any DG system not installed under a TVA sponsored program must adhere to the guidelines presented in this document.

B. Application for Interconnection

Applicants participating in TVA sponsored programs including Green Power Providers (GPP) and Distributed Solar Solutions (DSS) are handled through the TVA Online Portal. All other applicants must submit the application form found on Attachment 1.

Regardless of the program type, all DG customers must complete the Cooperative Interconnection Agreement found in Attachment 2.

- C. Application Processing for Systems Requesting Compensation for DG Facilities Outside of the GPP or DSS Programs
1. The Cooperative will review applications for any new project to determine the system impacts and any system modifications that must be made in order to accommodate the new system.
 2. After review of the system has been performed, TVA will be notified of proposed interconnection to initiate the TVA Review and Power Purchase Agreement Process.
 3. Any system improvements required to accommodate a new DG system must be paid for in advance by the customer before interconnection agreements will be signed.
 4. After all fees, system improvement and engineering study charges are paid; the Cooperative will execute the Interconnection Agreement found on Attachment 2. At that time the customer will have one year to complete construction of the new DG system.
 5. The customer must execute the interconnection agreement and return it to the Cooperative at least 30 calendar days prior to the desired date of parallel operation.
 6. A final system inspection must be completed prior to parallel operation. All systems must be compliant with all rules and regulations outlined in the Interconnect Agreement before the system inspection will be finalized. If the system is found to be out of compliance, the Cooperative reserves the right to lock out the system until proper remediation takes place.
 7. After final inspections are complete, the customer and the Cooperative will commission the system together and begin parallel operation on an agreed upon date.
 8. Once the DG system is successfully commissioned TVA will be notified to execute the Power Purchase Agreement.

D. DG Systems Not Part of TVA Programs

It is understood members of the Cooperative have the right to install DG systems behind the meter at their homes or businesses. For members who elect to install such systems behind the meter, once the Cooperative determines the system exists, the Cooperative will make the necessary metering changes to the meter to only record power flow in one direction. The member will not be paid for any excess power the DG produces.

It is also understood these DG systems may have not been tested to comply with IEEE Standard 1547 to prevent power flow onto the Cooperative's electrical system. If it is determined the DG system installed behind the meter is presenting a safety, power quality or reliability issue to the Cooperative system, the

Cooperative has the right to require the system to be disconnected or service to the facility will be disconnected.

E. DG System Operation

Once the DG System is in operation, the Cooperative has the right to inspect the facilities to insure the DG system is maintained and is presenting no safety, power quality or reliability issues to the Cooperative's electrical system. The Cooperative has the right to disconnect the DG system from the grid as needed for maintenance or correcting a system disturbance.

F. Fees

The following fees listed below are required by the Cooperative and are in addition to all costs associated with engineering studies and system modifications necessary to accommodate the DG system on the Cooperative's electrical system. These fees may change from time to time based on changes in TVA's programs. Application fees and monthly administrative fees listed below represent the fees currently in effect and are subject to periodic revision.

1. GPP Program

- a. For any new Participation Agreements (PA) received by the Cooperative for participation in TVA's GPP with systems of 10kW or less, there will be a \$200 non-refundable program application fee for each PA received.
- b. For any new PA received by the Cooperative for participation in TVA's GPP with systems greater than 10kW up to 50 kW, there will be a \$500 non-refundable program application fee for each PA received.
- c. The non-refundable program application fee(s) must be paid before the Cooperative will begin any work on the project.
- d. If it is decided to install the system, the participant will pay the Cooperative a \$400 fee to cover the cost of inspecting and testing the system, plus the current cost of the meter required for the system.
- e. Once in operation, the DG system will be required to pay a customer charge and for any power consumed by the system based upon the current GSA1 Rate.

2. DSS Program

- a. For any new application received by the Cooperative for participation in TVA's DSS, there will be a \$10 per kW non-refundable program application fee for each PA.

- b. If it is decided to install the system, the participant will pay the Cooperative a \$400 fee to cover the cost of inspecting and testing the system, plus the current cost of the meter required for the system.
- c. Once in operation, the DG system will be required to pay a customer charge and for any power consumed by the system based upon the current GSA2 Rate.

3. DPP Program

- a. For any new application received by the Cooperative for participation in TVA's Dispersed Power Production, there will be a \$500 non-refundable program application fee.
- b. If it is decided to install the system, the participant will pay the Cooperative a \$400 fee to cover the cost of inspecting and testing the system, plus the current cost of the meter required for the system.
- c. Once in operation, the DG system will be required to pay a customer charge and for any power consumed by the system based on the current GSA2 Rate.

4. Engineering Studies and System Modifications

The DG System will reimburse the Cooperative for all engineering studies required to determine if the system can accommodate the DG system and the costs of engineering to modify the Cooperative's electrical system to connect the DG system.

The DG system will pay the Cooperative the estimated costs to modify the Cooperative's electrical system to connect the DG system. All engineering and estimated costs will be paid prior to system modifications being made. If it is determined the Cooperative's system cannot accommodate the DG system, the DG system is still responsible for all engineering costs incurred by the Cooperative.

All engineering and system modification costs shall be paid in full within 30 days of being invoiced by the Cooperative.

5. Transfer of Ownership

For each system requesting transfer of ownership, a non-refundable fee of \$200 will be required before the requested transfer be made.

III. Responsibility

- A. The Board of Trustees is responsible for the periodic review of this policy and shall approve all changes to the policy.
- B. The General Manager is responsible for the implementation of the policy.