



Power System
Engineering, Inc.

1

OFFICES IN:

MADISON, WI
MINNEAPOLIS, MN
DES MOINES, IA
INDIANAPOLIS, IN

12301 Central Avenue, N.E., Suite 250
Blaine, MN 55434
Telephone: 763-755-5122
Fax: 763-755-7028
Web: www.powersystem.org

December 27, 2004

RECEIVED

DEC 28 2004

Burl W. Haar, Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101

MN PUBLIC UTILITIES COMMISSION

**Subject: *Dakota Electric Association Petition to
Implement Distributed Generation Tariffs
Docket No. E-111/M-04-2019***

Dear Dr. Haar:

Enclosed for filing is the original and fifteen copies of Dakota Electric Association's (Dakota Electric) petition to implement Distributed Generation Tariffs. Specifically, Dakota Electric seeks approval of the following documents:

- Process and Technical Requirements;
- Rider for Distribution Generation; and
- Rider for Standby Service.

These documents have been developed to address, and be consistent with, the Minnesota Public Utilities Commission September 28, 2004 Order in the Matter of Establishing Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities.

If you or your staff have any questions regarding these proposed distributed generation tariffs, please contact me at 763-755-5122.

Sincerely,

Douglas R. Larson
Vice President
Power System Engineering, Inc.
on behalf of
Dakota Electric Association
4300 - 220th Street West
Farmington, Minnesota 55024

Enclosures

MN0650401/dhe

STATE OF MINNESOTA

SS

COUNTY OF ANOKA

I, Marilyn Cuellar, being first duly sworn, deposes and says:

That on the 27th day of December, 2004 I served the attached Dakota Electric Association Petition.

Docket No. E111/M-04-___

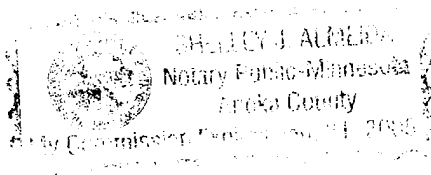
- by depositing in the United States Mail at the City of Blaine, a true and correct copy thereof, properly enveloped with postage prepaid
- by personal service
- by delivery service
- by express mail

to all persons at the address indicated below:

Marilyn Cuellar
Marilyn Cuellar

Subscribed and sworn to before me
this 27th of December, 2004.

Shelley J. Almeida
Shelley J. Almeida



Dakota Electric Association

General Service List

Dr. Burl W. Haar, Exec. Sec. (15)
MN Public Utilities Commission
Suite 350
121 7th Place East
St. Paul, MN 55101-2147

Marilyn Foreman
Dakota Electric Association
4300 220th Street West
Farmington, MN 55024

William T. Davis
Otter Tail Power Company
215 South Cascade
Fergus Falls, MN 56538

Doug Larson
Power System Engineering, Inc.
12301 Central Avenue N.E.
Suite 250
Blaine, MN 55434

Kathy Aslakson (4)
MN Department of Commerce
Suite 500, 85 7th Place East
St. Paul, MN 55101-2198

Kathryn S. Hahne
Leonard, Street & Deinard
150 South 5th St., Suite 2300
Minneapolis, MN 55402

Christopher D. Anderson
Senior Attorney
Minnesota Power
30 West Superior St.
Duluth, MN 55802

**STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

**LeRoy Koppendrayer
Marshall Johnson
Ken Nickolai
Thomas Pugh
Phyllis Reha**

**Chair
Commissioner
Commissioner
Commissioner
Commissioner**

Petition to Implement
Distributed Generation Tariffs

Docket No. E-111/M-04__
December 27, 2004

PETITION OF DAKOTA ELECTRIC ASSOCIATION

Procedural History

On August 2, 2001, Minnesota Statute 216B.1611 became effective. Subdivision 2 of that statute directs the Minnesota Public Utilities Commission (MPUC or Commission) to initiate a proceeding to establish standards under which an electric utility would permit a plant with the capacity to generate up to 10 MW of power to interconnect with the electric grid.

On August 20, 2001, the Commission issued its Order Initiating Docket, Inviting People to Propose Standards, and Inviting People to Comment on the Proposed Standards.

On June 19, 2002, the Commission issued its Order Organizing Work Groups and Setting Procedural Schedule. That Order directed industry workgroups, under the leadership of the Minnesota Department of Commerce (DOC or Department), to develop guidelines for tariffs designed to help a generator interconnect with an electric utility system, to make periodic reports on their progress, and to make a final report by February, 2003.

This matter came before the Commission again on July 20 and July 27, 2004. On September 28, 2004, the Commission issued its written Order in the Matter of Establishing Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities in Docket No. E-999/CI-01-1023. This Order states as follows on page 29:

1. The July 27, 2004 joint proposal, as amended herein and attached as Attachments 1 – 5, shall constitute guidelines for establishing process and technical requirements for interconnecting generators with no more than 10 MW of capacity to the electrical grid.
2. The February 3, 2003 Rate Work Group Report, as amended herein and attached as Attachment 6, shall constitute guidelines for establishing the financial relationship between an electric utility and a qualified generator with no more than 10 MW of capacity.
3. Retail electric public utilities shall file a distribution tariff consistent with the guidelines adopted in this Order within 90 days, pursuant to Minnesota Statutes 216B.1611, Subdivision 3.

Proposed Distributed Generation Tariffs

Dakota Electric proposes to implement the following distributed generation tariffs in response to the Commission's September 28, 2004 Order in Docket E-999/CI-01-1023:

- Process and Technical Requirement documents;
- Rider for Distributed Generation; and
- Rider for Standby Service.

These proposed documents are described below.

Process and Technical Requirements

Dakota Electric proposes to include the process and technical documents as identified in the Commission's September 28, 2004 Order on Dakota Electric's website. These documents will incorporate the full text of such documents as included in the Commission's September 28th Order with the exception that general references to "Area EPS" in the Commission approved documents will be replaced with "Dakota Electric Association". Dakota Electric purposes to put these documents on the website upon Commission approval of the two riders discussed below.

Rider for Distributed Generation

The Rider for Distributed Generation (DG Rider) establishes the overall framework for distributed generation systems that are the subject of these new requirements established through Minnesota Statute 216B.1611. The outline for Dakota Electric's proposed DG Rider is as follows:

- Application;
- Definitions;
- Charges for Service;
- Terms and Conditions of Service; and
- Billing and Terms of Payment.

The Application section describes the provisions that a distributed generation facility must meet to qualify for the DG Rider. These provisions include the following:

1. The distributed generation system must be an operable, permanently installed or mobile generation facility connected in parallel to the utility distribution system serving the customer receiving retail electric service at the same site.
2. The distributed generation system must be fueled by either natural gas, a renewable fuel, or another similarly clean fuel or combination of fuels.
3. The distributed generation system can not have more than 10 MW of interconnected capacity at a point of common coupling to Cooperative's distribution system.
4. The interconnection and operation of the distributed generation system at each point of common coupling shall be considered as a separate application of the Rider.
5. All provisions of the applicable standard service schedule shall apply to distributed generation service under this Rider except as noted below.

The Definitions section seeks to define relevant terms such as customer, extended parallel, scheduled maintenance, and unscheduled outage. Beyond highlighting these specific definitions, this clause directs customers to definitions included in Dakota Electric's Distributed Generation Interconnection Requirements document and Interconnection Process for Distributed Generation Systems document, both of which are included in the proposed Section X of Dakota Electric's rate book.

The section on Charges for Service specify the services provided under this Rider which may include services from the Cooperative to Customer and from the Customer to Cooperative. Services from Cooperative to Customer include:

- Interconnection Services -- this section highlights the interconnection process and technical requirements for installing distributed generation systems.
- Supply Services -- supply services include scheduled maintenance, unscheduled outages and supplemental service as provided in the Rider for Standby Service.
- Transmission Services -- transmission services will be provided under the terms of Great River Energy's (GRE) approved rates.
- Distribution Services -- are covered in Dakota Electric's Rider for Standby Service and applies to customers requiring standby service of more than 60 kW. In addition, such standby charges will be applied for the delivery of energy and capacity over Dakota Electric's distribution system to a third party, other than GRE.

Services from the Customer to Cooperative include:

- Capacity/Energy -- The obligation to purchase energy and capacity from the distributed generation system will be assumed by Great River Energy. Such purchases will be made under the rates, terms and conditions for such purchases as established by GRE.
- Distribution Credit -- This language describes the process for determining when distribution credits will be available and how they will be paid.
- Renewable Credits -- If the customer installs a renewable distributed generation system, then any applicable renewable credits will be made under the rates, terms and conditions for such purchases by GRE.
- Tradable Emissions Credits -- If the purchase of energy and capacity by GRE results in an economic value associated with tradable emissions, then tradable emissions credits will be provided under the terms established by GRE.

The Terms and Conditions of Service language draws special attention to provisions that customers participating in this Rider must be aware of including:

1. Service hereunder is subject to Cooperative's *Interconnection Process for Distributed Generation Systems* and *Distributed Generation Interconnection Requirements* as may be modified from time-to-time.
2. Cooperative will install all metering equipment necessary to monitor services provided to ensure adequate measurements are obtained to support necessary application of rates, charges, credits and payments. Customer will be charged an up-front lump sum for the installed cost of such metering equipment and expected future operation and maintenance expenses for this metering equipment.
3. The Customer will be compensated monthly for all energy delivered to Cooperative's wholesale power supplier. The timing for these payments is subject to annual review.
4. The Customer shall make provision for on-site metering. All energy received from and delivered to the Cooperative shall be separately metered. The Cooperative may require metering of the generation output.
5. The Customer shall pay for all interconnection costs incurred by the Cooperative made necessary by the installation of the distributed generation system.
6. Power and energy purchased by the Customer from the Cooperative shall be under the applicable retail rates for the purchase of electricity.
7. The Cooperative reserves the right to disconnect the Customer's generator from its system if it interferes with the operation of the Cooperative's equipment or with the equipment of other Cooperative Customers.
8. The Customer shall execute an Electric Service Agreement with the Cooperative which may include, among other provisions, a minimum term of service.

Finally, the language for Billing and Terms of Payment references that such billing and terms of payment will be consistent with the Cooperative's applicable base rate schedule. In addition, to the extent that Dakota Electric receives service from the customer under this Rider, payment for such services will be netted against any charges for Cooperative supplied services.

Rider for Standby Service

The Rider for Standby Service (Standby Rider) is required for any customer needing scheduled maintenance service or unscheduled outage service who is receiving electric service under one of the Cooperative's firm retail electric rate schedules and who has entered into a contract with the Cooperative for the interconnection and operation of an on-site extended parallel distributed generation system. The outline for the Standby Rider is as follow:

- Application;
- Definitions;

- Charges for Service;
- Billing Demand;
- Stranded Investment;
- Billing and Terms of Payment; and
- Terms and Conditions of Service.

The Application clause specifies the provisions under which a customer will participate in this rider. These provisions include the following:

1. Contracts will be made for this service provided the Cooperative has sufficient capacity available in production, transmission and distribution facilities to provide such service at the location where the service is requested.
2. Power production equipment (distributed generation system) at the Customer site shall not operate in parallel with the Cooperative's system until the installation has been inspected by an authorized Cooperative representative and final written approval is received from the Cooperative to commence parallel operation.
3. The minimum term of service taken under this Rider shall be one (1) year or such longer period as may be required under an Electric Service Agreement. Following this initial one year period, a Customer receiving standby service may terminate standby service and establish service under a firm service tariff schedule within the same time frame as would be required of a new Customer with a similar firm service load. Such time frame may be dependent on the Cooperative's ability to adjust its generation capability, including reserve margin, for the increased firm load due to Customer's selection of firm service from the Cooperative.
4. Energy provided to the Customer under this Rider is limited to energy used during a forced outage or planned maintenance of the Customer's distributed generation system.

While the above describes the general application of the Rider for Standby Service, there are exceptions to this application including:

- A. Any Customer taking service under Cooperative's Rider for Parallel Generation as established under Minnesota Rules 7835 shall not be required to take service under this Rider for standby services required to temporarily back up distributed generation systems rated at less than 40 kW;
- B. Any Customer taking service under Cooperative's Rider for Distributed Generation Service shall not be required to take service under this Rider for standby services required to temporarily back up distributed generation systems rated at 60 kW or less. However, Cooperative reserves the right to limit the number of Distributed Generation Customers receiving such an exception based on financial considerations.; or

- C. Any Customer, in lieu of service under this Rider, may provide physical assurance to ensure that standby service is not taken. A Customer requesting physical assurance shall agree to furnish and install an approved load limiting device which shall be set and sealed by Cooperative so that Customer's use of service will not exceed Customer's contracted demand. The installed cost of the load limiting device shall be paid by Customer.

The definitions section seeks to define relevant terms such as contracted standby demand, extended parallel, firm service, non-firm service, scheduled maintenance and unscheduled outage. Beyond highlighting these specific definitions, this clause directs customers to definitions included in Dakota Electric's distributed generation interconnection requirements document and interconnection process for distributed generation system's document, both of which are included in Section X of Dakota Electric's rate book.

The section on Charges for Service specifies applicable Reservation Fees and Usage Fees. The Reservation Fees for standby service reflect both firm and non-firm service. As an electric distribution cooperative, Dakota Electric purchases its wholesale power from Great River Energy (GRE). Accordingly, the generation and transmission Reservation Fees applicable to both firm service and non-firm service will be a pass-through of such charges from GRE. Dakota Electric's Standby Rider references this relationship. Specific generation and transmission rates will be provided to customers upon request. The distribution standby reservation fee reflects Dakota Electric's cost of providing such distribution service. The cost analysis supporting these distribution charges is attached. This cost analysis relies on the approved cost of service study results from Dakota Electric's most recent general rate case in Docket No. E-111/GR-03-261.

When a customer actually uses electrical service under the Standby Rider, then Usage Fees will apply. The Usage Fees consist of a Demand Charge and an Energy Charge. Dakota Electric will apply demand charges to firm standby customers if the customer's usage results in wholesale capacity charges to Dakota Electric from Great River Energy. Such demand charge will be the rate as contained in the base tariff to which this rider is attached minus the applicable Reservation Fees paid by the customer during such billing

month. For non-firm standby customers, demand charges for usage will be billed at no less than the demand rate as contained in the base tariff to which this rider is attached. The demand charge could be higher if Great River Energy incurs higher costs associated with obtaining wholesale capacity for these non-firm customers.

The energy charge for a firm standby customer will be charged at the same energy rate as contained in the base tariffs to which this rider is attached. Energy usage for non-firm standby customers will be charged at no less than the energy rate contained in the base tariff to which this rider is attached. Any higher energy charges above the rate in the basic tariff for non-firm energy use will reflect the higher wholesale energy costs incurred by Great River Energy to provide such energy service to the non-firm standby customer. Finally, bills will be subject to all adjustments applicable to the base schedule to which this rider is attached.

The Billing Demand clause specifies how the demand for standby service will be determined. Such demand will initially be the contracted standby demand amount as specified in the Electric Service Agreement with the customer. However, if a customer exceeds this contracted amount when using standby service, then the contracted standby demand will be increased to this higher level for the current and future billing months. This adjustment in the standby contracted billing demand will recognize circumstances where on-going firm service is being provided in addition to standby service.

The Stranded Investment clause addresses this issue as reflected in the report of the DG rate work group. Specifically, if a customer pursues the physical assurance option, they may be subject to a lump sum payment to Dakota Electric for stranded distribution investment associated with plant installed to provide prior service to this customer. If a customer chooses not to make such a lump sum payment, then the distribution standby charge will be applied to the customer's typical demands incurred prior to requesting physical assurance status.

Billing and terms of payment for standby customers will be governed according to the cooperative's applicable base rate schedule.

The Terms and Conditions of Service language draws special attention to provisions that customers participating in this rider must be aware of including:

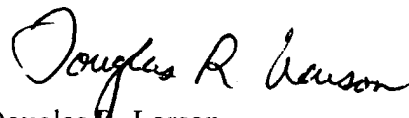
1. The Customer shall execute an Electric Service Agreement with the Cooperative which shall specify:
 - a. Standard rate schedule (to which this Rider is attached);
 - b. Contracted Standby Demand;
 - c. Generator Nameplate Rating; and
 - d. Type of Standby Service (firm or non-firm).
2. Service hereunder is subject to Cooperative's *Interconnection Process for Distributed Generation Systems* and *Distributed Generation Interconnection Requirements* as may be modified from time-to-time.
3. Cooperative will install all metering equipment necessary to monitor services provided to ensure adequate measurements are obtained to support necessary application of charges. Customer will be charged an up-front lump sum for the installed cost of such metering equipment and expected future operation and maintenance expenses for this metering equipment.
4. The Customer shall make provision for on-site metering. All energy received from and delivered to the Cooperative shall be separately metered. The Cooperative may require metering of the generation output.
5. The Customer shall pay for all interconnection costs incurred by the Cooperative made necessary by the installation of the distributed generation system.
6. The Cooperative reserves the right to disconnect the Customer's generator from its system if it interferes with the operation of the Cooperative's equipment or with the equipment of other Cooperative Customers.
7. The Cooperative shall not be obligated to supply standby service for a Customer's load in excess of the capacity for which Customer has contracted.
8. The Customer shall be liable for all damages or costs caused by Customer's use of power in excess of contracted for capacity.
9. Cooperative may require Customer to furnish and install an approved load limiting device which shall be set and sealed by Cooperative so that the Customer's use of service will not exceed the number of kilowatts contracted for by Customer.
10. The Customer shall annually furnish documentation to the Cooperative confirming the maximum capacity and reliability of the power source for which the Customer requires Standby Service.
11. Cooperative and Customer will coordinate the planning and determining of a schedule for performance of periodic maintenance of Customer's facilities, such maintenance shall be scheduled to avoid wholesale power billing costs or as agreed upon in the contract. Cooperative will require the Customer to provide reasonable notice of its proposed schedule for maintenance. The duration of the agreed maintenance schedule may thereafter be extended only with the consent of

- the Cooperative in response to Customer's request received prior to the end of the maintenance period.
12. The Cooperative reserves the right to establish a minimum charge in order to recover the costs of facilities required to serve such load. Said charge shall be specified in the Electric Service Agreement.
 13. Cooperative may be reimbursed by the Customer for costs which are incurred, or which have been previously incurred, in providing facilities which are used principally or exclusively in supplying service for any portion of the Customer's requirements which are to be normally supplied from a source of power other than the Cooperative's electric system.
 14. All electricity delivered shall be for the exclusive use of the Customer and shall not be resold.
 15. Customer shall indemnify Cooperative against all liability which may result from any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, or operation of the co-generation facility or by any related act or omission of the Customer, its employees, agents, contractors or subcontractors.

Conclusion

Dakota Electric requests approval to implement distributed generation tariffs including the process and technical documents, Rider for Distributed Generation and Rider for Standby Service. These documents have been developed to address, and be consistent with, the Minnesota Public Utilities Commission order in this matter. If you or your staff have any questions regarding these distributed generation tariffs, please contact me at 763 755-5122.

Sincerely,



Douglas R. Larson
Vice President
Power System Engineering, Inc.
on behalf of
Dakota Electric Association
4300 - 220th Street West
Farmington, Minnesota 55024

MN0650401/sja

**SCHEDULE 60
RIDER FOR STANDBY SERVICE**

APPLICATION

The Rider for Standby Service is required under the following provisions for any Customer needing scheduled maintenance service or unscheduled outage service who is receiving electric service under one of the Cooperative's firm retail electric rate schedules and who has entered into a contract with Cooperative for the interconnection and operation of an on-site extended parallel distributed generation system:

1. Contracts will be made for this service provided the Cooperative has sufficient capacity available in production, transmission and distribution facilities to provide such service at the location where the service is requested.
2. Power production equipment (distributed generation system) at the Customer site shall not operate in parallel with the Cooperative's system until the installation has been inspected by an authorized Cooperative representative and final written approval is received from the Cooperative to commence parallel operation.
3. The minimum term of service taken under this Rider shall be one (1) year or such longer period as may be required under an Electric Service Agreement. Following this initial one year period, a Customer receiving standby service may terminate standby service and establish service under a firm service tariff schedule within the same time frame as would be required of a new Customer with a similar firm service load. Such time frame may be dependent on the Cooperative's ability to adjust its generation capability, including reserve margin, for the increased firm load due to Customer's selection of firm service from the Cooperative.
4. Energy provided to the Customer under this Rider is limited to energy used during a forced outage or planned maintenance of the Customer's distributed generation system.

Exceptions to this Application include:

- A. Any Customer taking service under Cooperative's Rider for Parallel Generation as established under Minnesota Rules 7835 shall not be required to take service under this Rider for standby services required to temporarily back up distributed generation systems rated at less than 40 kW;
- B. Any Customer taking service under Cooperative's Rider for Distributed Generation Service shall not be required to take service under this Rider for standby services required to temporarily back up distributed generation systems rated at 60 kW or less. However, Cooperative reserves the right to limit the number of Distributed Generation Customers receiving such an exception based on financial considerations.; or
- C. Any Customer, in lieu of service under this Rider, may provide physical assurance to ensure that standby service is not taken. A Customer requesting physical assurance shall agree to furnish and install an approved load limiting device which shall be set and sealed by Cooperative so that Customer's use of service will not exceed Customer's contracted demand. The installed cost of the load limiting device shall be paid by Customer.

DEFINITIONS

Contracted Standby Demand is the quantity specified in Customer's Electric Service Agreement as the maximum amount of firm or non-firm standby service the Cooperative is obligated to supply.

Extended Parallel means the distributed generation system is designed to remain connected with the Cooperative's distribution system for an extended period of time.

Firm Service refers to a utility's most reliable, constant electric service. A utility would interrupt the supply of electricity to a firm service customer only as a last resort.

Non-Firm Service refers to electric service that a utility provides only to the extent that it has capacity not being used to meet the needs of firm-service customers at the moment.

Scheduled Maintenance service is energy, or energy and capacity, supplied by the Cooperative during scheduled maintenance of the Customer's non-utility source of electric energy supply (distributed generation system).

Unscheduled Outage service is energy, or energy and capacity, supplied by the Cooperative during unscheduled outages of the Customer's non-utility source of electric energy supply (distributed generation system).

All other definitions shall be as described in Cooperative's *Distributed Generation Interconnection Requirements and Interconnection Process for Distributed Generation Systems*.

CHARGES FOR SERVICE

The following Reservation and Usage Fees are applicable in addition to all charges for service being taken under Cooperative's base rate schedule:

Reservation Fees

Charges as specified below for the reservation of either Firm or Non-Firm generation, transmission and distribution service per Month per kW will each be applied to the Customer's Contracted Standby Demand as specified in Customer's Electric Service Agreement with Cooperative:

	Firm Service (\$ per kW)	Non-Firm Service (\$ per kW)
Generation	*	**
Transmission	*	**
Distribution	\$2.90	\$2.90

* Firm Standby Service generation and transmission Reservation Fees will be billed under the rates, terms and conditions of the Cooperative's wholesale power supplier.

** Non-Firm Standby Service generation and transmission Reservation Fees will be billed under the rates, terms and conditions of the Cooperative's wholesale power supplier.

Usage Fees

Demand Charge

If Customer registers electrical usage from Cooperative during a billing month then such usage may result in demand charges which may vary between Customers contracting for Firm Standby Service or Non-Firm Standby Service.

If usage of a firm standby Customer results in wholesale capacity charges to Cooperative, then the metered demand of such usage will be charged at the demand rate as contained in the base tariff to which this Rider is attached minus the applicable Reservation Fees paid by Customer during such billing month. The reduction in the base tariff billing demand will be provided up to the amount of Contracted Standby Demand. Any metered demand for Customer electrical usage from Cooperative that exceeds the Contracted Standby Demand level will be billed at the full demand rate specified in the base tariff. In addition, Customer's Contracted Standby Demand will be adjusted as specified in the Billing Demand clause of this Rider. If Customer registers electrical usage from Cooperative during a billing month that also coincides with the Cooperative's wholesale power supplier's applicable billing peak, then additional demand charges may be applied by Cooperative to ensure that Customer fully compensates Cooperative for such wholesale power costs.

Power may not be available when needed for a non-firm standby Customer. If power is available and usage of a non-firm standby Customer results in wholesale capacity charges to Cooperative, then the metered demand of such usage will be charged at no less than the demand rate as contained in the base tariff to which this Rider is attached minus the applicable Reservation Fees paid by Customer during such billing month. (Any higher demand charges for non-firm demand use will reflect higher wholesale demand costs incurred to provide such service.) The reduction in the base tariff billing demand will be provided up to the amount of Contracted Standby Demand. Any metered demand for Customer electrical usage from Cooperative that exceeds the Contracted Standby Demand level will be billed at the full demand rate specified in the base tariff. In addition, Customer's Contracted Standby Demand will be adjusted as specified in the Billing Demand clause of this Rider. If Customer registers electrical usage from Cooperative during a billing month that also coincides with the Cooperative's wholesale power supplier's applicable billing peak, then additional demand charges may be applied by Cooperative to ensure that Customer fully compensates Cooperative for such wholesale power costs.

Energy Charge

Energy actually used by a firm standby Customer under this Rider will be charged at the same energy rate as contained in the base tariff to which this Rider is attached.

If energy is available for a non-firm standby Customer, then energy actually used under this Rider will be charged at no less than the energy rate contained in the base tariff to which this Rider is attached. Any higher energy charges for non-firm energy use will reflect higher wholesale energy costs incurred to provide such energy.

Rate Adjustments

Bills shall be subject to all adjustments applicable to the base schedule to which this Rider is attached.

BILLING DEMAND

The Customer shall contract for a specific kilowatt demand of standby service sufficient to meet the Customer's requirements when the distributed generation system is not being operated. In the event the Contracted Standby Demand is exceeded in any month by a higher billing demand, such higher demand shall be considered as the new billing demand for the month. The billing demand for Reservation Fees thereafter shall be not be less than the newly established billing demand for the remainder of the contract. Such adjustment of billing demand applicable to Reservation Fees will recognize circumstances where on-going firm service is being provided in addition to standby service.

STRANDED INVESTMENT

Any Customer who installs load limiting equipment to ensure that standby service is not taken (physical assurance) and does not intend to deliver power into the distribution system will have the option of making a lump sum payment to Cooperative for stranded distribution investment. If such lump sum payment is not made, then Customer will be

subject to distribution standby charges based on Customer's typical demands incurred prior to requesting physical assurance status.

BILLING AND TERMS OF PAYMENT

Billing and terms of payment shall be governed as set forth in the Cooperative's applicable base rate schedule.

TERMS AND CONDITIONS OF SERVICE

1. The Customer shall execute an Electric Service Agreement with the Cooperative which shall specify:
 - a. Standard rate schedule (to which this Rider is attached);
 - b. Contracted Standby Demand;
 - c. Generator Nameplate Rating; and
 - d. Type of Standby Service (firm or non-firm).
2. Service hereunder is subject to Cooperative's *Interconnection Process for Distributed Generation Systems* and *Distributed Generation Interconnection Requirements* as may be modified from time-to-time.
3. Cooperative will install all metering equipment necessary to monitor services provided to ensure adequate measurements are obtained to support necessary application of charges. Customer will be charged an up-front lump sum for the installed cost of such metering equipment and expected future operation and maintenance expenses for this metering equipment.
4. The Customer shall make provision for on-site metering. All energy received from and delivered to the Cooperative shall be separately metered. The Cooperative may require metering of the generation output.
5. The Customer shall pay for all interconnection costs incurred by the Cooperative made necessary by the installation of the distributed generation system.
6. The Cooperative reserves the right to disconnect the Customer's generator from its system if it interferes with the operation of the Cooperative's equipment or with the equipment of other Cooperative Customers.
7. The Cooperative shall not be obligated to supply standby service for a Customer's load in excess of the capacity for which Customer has contracted.
8. The Customer shall be liable for all damages or costs caused by Customer's use of power in excess of contracted for capacity.
9. Cooperative may require Customer to furnish and install an approved load limiting device which shall be set and sealed by Cooperative so that the Customer's use of service will not exceed the number of kilowatts contracted for by Customer.
10. The Customer shall annually furnish documentation to the Cooperative confirming the maximum capacity and reliability of the power source for which the Customer requires Standby Service.
11. Cooperative and Customer will coordinate the planning and determining of a schedule for performance of periodic maintenance of Customer's facilities, such maintenance shall be scheduled to avoid wholesale power billing costs or as agreed upon in the contract. Cooperative will require the Customer to provide reasonable notice of its proposed schedule for maintenance. The duration of the agreed maintenance schedule may thereafter be extended only with the consent of the Cooperative in response to Customer's request received prior to the end of the maintenance period.
12. The Cooperative reserves the right to establish a minimum charge in order to recover the costs of facilities required to serve such load. Said charge shall be specified in the Electric Service Agreement.

DAKOTA ELECTRIC ASSOCIATION
4300 220th Street West
Farmington, Minnesota 55024

SECTION: V
SHEET: 28.4
REVISION:

13. Cooperative may be reimbursed by the Customer for costs which are incurred, or which have been previously incurred, in providing facilities which are used principally or exclusively in supplying service for any portion of the Customer's requirements which are to be normally supplied from a source of power other than the Cooperative's electric system.
14. All electricity delivered shall be for the exclusive use of the Customer and shall not be resold.
15. Customer shall indemnify Cooperative against all liability which may result from any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, or operation of the co-generation facility or by any related act or omission of the Customer, its employees, agents, contractors or subcontractors.

**SCHEDULE 61
RIDER FOR DISTRIBUTED GENERATION**

APPLICATION

The Rider for Distributed Generation is applicable as follows to any Customer taking service under one of the Cooperative's standard electric rate schedules and who has entered into an Electric Service Agreement with Cooperative for the interconnection and operation of an on-site extended parallel distributed generation system:

1. The distributed generation system must be an operable, permanently installed or mobile generation facility connected in parallel to the utility distribution system serving the customer receiving retail electric service at the same site.
2. The distributed generation system must be fueled by either natural gas, a renewable fuel, or another similarly clean fuel or combination of fuels.
3. The distributed generation system can not have more than 10 MW of interconnected capacity at a point of common coupling to Cooperative's distribution system.
4. The interconnection and operation of the distributed generation system at each point of common coupling shall be considered as a separate application of the Rider.
5. All provisions of the applicable standard service schedule shall apply to distributed generation service under this Rider except as noted below.

In lieu of service under this Rider, Customer and Cooperative may pursue reasonable transactions outside the Rider; or Customer may take service, as applicable, under Cooperative's Rider for Parallel Generation as established under Minnesota Rules 7835 – Cogeneration and Small Power Production.

DEFINITIONS

Customer is an entity receiving retail electric service from Cooperative at the same site as the distributed generation system.

Extended Parallel means the distributed generation system is designed to remain connected with the Cooperative's distribution system for an extended period of time.

Scheduled Maintenance service is energy, or energy and capacity, supplied by the Cooperative during scheduled maintenance of the Customer's non-utility source of electric energy supply (distributed generation system).

Unscheduled Outage service is energy, or energy and capacity, supplied by the Cooperative during unscheduled outages of the Customer's non-utility source of electric energy supply (distributed generation system).

All other definitions shall be as described in Cooperative's *Distributed Generation Interconnection Requirements* and *Interconnection Process for Distributed Generation Systems*.

SERVICES

Services provided under this Rider may include services from the Cooperative to Customer and from Customer to Cooperative. The following rates, charges, credits and payments are applicable for such services in addition to all applicable charges for service being taken under Cooperative's standard rate schedule:

Services from Cooperative to Customer

A monthly service charge, equal to the service charge contained in the base tariff to which this Rider is attached, will be applied to this Rider to recover costs of administering this Rider.

Services from Cooperative to Customer

Interconnection Services

Interconnection services include services such as engineering/design studies, Cooperative system upgrades and testing as further described in Cooperative's *Distributed Generation Interconnection Requirements* and *Interconnection Process for Distributed Generation Systems*. Charges for such interconnection services shall be as described in the Cooperative's *Distributed Generation Interconnection Requirements* and *Interconnection Process for Distributed Generation Systems*.

Supply Services

Supply services include standby services such as scheduled maintenance, unscheduled outages and supplemental service as provided under Cooperative's *Rider for Standby and Supplemental Service*.

Transmission Services

Transmission services include reservation and delivery of capacity and energy on either a firm or non-firm basis and those ancillary services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation over Transmission Providers' Transmission System. These ancillary services include services such as Scheduling, System Control and Dispatch Service, Reactive Supply and Voltage Control from Generation Sources, Regulation and Frequency Response, Generator Imbalance, Operating Reserve – Spinning Reserve and Operating Reserve – Supplemental Reserve. Transmission Services are provided as applicable under Cooperative's wholesale power supplier's approved Open Access Transmission Tariff (OATT).

Distribution Services

Distribution services include reservation and delivery of capacity and energy and those indirect services that are necessary to support the delivery of capacity and energy over Cooperative's distribution system. These indirect services include allocated support services or expenses such as operation and maintenance, customer accounts, customer service and information, administrative and general, depreciation, interest and taxes. Customers requiring contracted distribution standby service of more than 60 kW and/or delivery of energy and capacity over Cooperative's distribution system to a third party will be charged for such distribution services at a rate equal to the distribution charge specified in the Cooperative's *Rider for Standby and Supplemental Service*.

Services from Customer to Cooperative

Capacity/Energy

Customer may sell all of the energy produced by the distributed generation system to the Cooperative, use all the distributed generation energy to meet its own electrical requirements, or use a portion of the energy from the distributed generation system to meet its own electrical needs and sell the remaining energy to the Cooperative.

If the Customer offers to sell energy to the Cooperative, then such energy and capacity will be purchased by the Cooperative's wholesale power supplier under the rates, terms and conditions for such purchases as established by the wholesale power supplier.

Distribution Credits

A distribution credit may be given if the distributed generation system allows the Cooperative to defer or avoid distribution system upgrades. Distribution credits to the Customer should equal the Cooperative's avoided distribution costs resulting from the installation and operation of the distributed generation system. The Cooperative shall provide, upon Customer's written request, areas of the distribution system that could be likely candidates for distribution credits as determined through the Cooperative's normal planning process. The Cooperative shall also provide to the Customer the minimum size distributed generation system required in each of the areas to qualify for the distribution credit along with general operational requirements necessary for the distributed generation system to meet, so as to be able to receive distribution credits.

Upon receiving an interconnection application from the Customer for a distributed generation interconnection, along with a written request for distribution credits, the Cooperative will complete an initial screening study to determine if the project has the potential to receive distribution credits. The Customer shall be responsible for the cost of the screening study. If the Cooperative's study shows that there exists potential for distribution credit, the Cooperative shall, at its own expense, pursue further study to determine the distribution credit, as part of its annual distribution planning study. If the study cannot be incorporated as part of the Cooperative's annual distribution planning study, then such a study shall be pursued with Customer's approval at Customer's expense. If distribution credits are identified, then such

credits will be paid in conjunction with an agreement with the Customer to supply distribution support utilizing the Customer's generation system.

Renewable Credits

If Customer installs a renewable distributed generation system and the Cooperative's wholesale power supplier's purchase of energy and capacity from such facility allows the wholesale power supplier to avoid the need to purchase renewable energy elsewhere, then the purchase of such renewable energy and capacity will reflect the avoided cost of renewable purchases as provided under the wholesale power supplier's applicable rates, terms and conditions for such purchases.

Tradable Emissions Credits

If the purchase of energy and capacity by the Cooperative's wholesale power supplier under the "must buy" provision described above results in the wholesale power supplier receiving an economic value associated with tradable emissions, then tradable emissions credits will be provided to Customer under terms established by the wholesale power supplier that reflects the economic value of such emission credits received by the wholesale power supplier.

TERMS AND CONDITIONS OF SERVICE

The following terms and conditions apply to this Rider:

1. Service hereunder is subject to Cooperative's *Interconnection Process for Distributed Generation Systems* and *Distributed Generation Interconnection Requirements* as may be modified from time-to-time.
2. Cooperative will install all metering equipment necessary to monitor services provided to ensure adequate measurements are obtained to support necessary application of rates, charges, credits and payments. Customer will be charged an up-front lump sum for the installed cost of such metering equipment and expected future operation and maintenance expenses for this metering equipment.
3. The Customer will be compensated monthly for all energy delivered to Cooperative's wholesale power supplier. The timing for these payments is subject to annual review.
4. The Customer shall make provision for on-site metering. All energy received from and delivered to the Cooperative shall be separately metered. The Cooperative may require metering of the generation output.
5. The Customer shall pay for all interconnection costs incurred by the Cooperative made necessary by the installation of the distributed generation system.

6. Power and energy purchased by the Customer from the Cooperative shall be under the applicable retail rates for the purchase of electricity.
7. The Cooperative reserves the right to disconnect the Customer's generator from its system if it interferes with the operation of the Cooperative's equipment or with the equipment of other Cooperative Customers.
8. The Customer shall execute an Electric Service Agreement with the Cooperative which may include, among other provisions, a minimum term of service.

BILLING AND TERMS OF PAYMENT

Billing and terms of payment shall be governed as set forth in the Cooperative's applicable base rate schedule.

To the extent that Cooperative receives service from Customer under this Rider, payment for such services shall be netted against any charges for Cooperative-supplied services hereunder.

SCHEDULE 60

RIDER FOR STANDBY SERVICE,
APPLICATION

The Rider for Standby Service is required under the following provisions for any Customer needing scheduled maintenance service or unscheduled outage service who is receiving electric service under one of the Cooperative's firm retail electric rate schedules and who has entered into a contract with Cooperative for the interconnection and operation of an on-site extended parallel distributed generation system:

1. Contracts will be made for this service provided the Cooperative has sufficient capacity available in production, transmission and distribution facilities to provide such service at the location where the service is requested.
2. Power production equipment (distributed generation system) at the Customer site shall not operate in parallel with the Cooperative's system until the installation has been inspected by an authorized Cooperative representative and final written approval is received from the Cooperative to commence parallel operation.

DAKOTA ELECTRIC ASSOCIATION
4300 220th Street West
Farmington, Minnesota 55024

SECTION: V
SHEET: 28.1
REVISION:

3. The minimum term of service taken under this Rider shall be one (1) year or such longer period as may be required under an Electric Service Agreement. Following this initial one year period, a Customer receiving standby service may terminate standby service and establish service under a firm service tariff schedule within the same time frame as would be required of a new Customer with a similar firm service load. Such time frame may be dependent on the Cooperative's ability to adjust its generation capability, including reserve margin, for the increased firm load due to Customer's selection of firm service from the Cooperative.
4. Energy provided to the Customer under this Rider is limited to energy used during a forced outage or planned maintenance of the Customer's distributed generation system.

Exceptions to this Application include:

- A. Any Customer taking service under Cooperative's Rider for Parallel Generation as established under Minnesota Rules 7835 shall not be required to take service under this Rider for standby services required to temporarily back up distributed generation systems rated at less than 40 kW.
- B. Any Customer taking service under Cooperative's Rider for Distributed Generation Service shall not be required to take service under this Rider for standby services required to temporarily back up distributed generation systems rated at 60 kW or less. However, Cooperative reserves the right to limit the number of Distributed Generation Customers receiving such an exception based on financial considerations; or
- C. Any Customer, in lieu of service under this Rider, may provide physical assurance to ensure that standby service is not taken. A Customer requesting physical assurance shall agree to furnish and install an approved load limiting device which shall be set and sealed by Cooperative so that Customer's use of service will not exceed Customer's contracted demand. The installed cost of the load limiting device shall be paid by Customer.

DEFINITIONS

Deleted: RIDER
LARGE POWER GENERAL SERVICE

Deleted: Availability
Available to any consumer for large power general service electrical loads. Service is subject to the established rules and regulations of the Association.
Monthly Rate
Fixed Charge ... [1]

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Deleted: 12/20/91

Deleted: GR-91-74

Deleted: 12/27/91

Contracted Standby Demand is the quantity specified in Customer's Electric Service Agreement as the maximum amount of firm or non-firm standby service the Cooperative is obligated to supply.

Extended Parallel means the distributed generation system is designed to remain connected with the Cooperative's distribution system for an extended period of time.

Firm Service refers to a utility's most reliable, constant electric service. A utility would interrupt the supply of electricity to a firm service customer only as a last resort.

Non-Firm Service refers to electric service that a utility provides only to the extent that it has capacity not being used to meet the needs of firm-service customers at the moment.

Scheduled Maintenance service is energy, or energy and capacity, supplied by the Cooperative during scheduled maintenance of the Customer's non-utility source of electric energy supply (distributed generation system).

Unscheduled Outage service is energy, or energy and capacity, supplied by the Cooperative during unscheduled outages of the Customer's non-utility source of electric energy supply (distributed generation system).

All other definitions shall be as described in Cooperative's *Distributed Generation Interconnection Requirements* and *Interconnection Process for Distributed Generation Systems*.

CHARGES FOR SERVICE

DAKOTA ELECTRIC ASSOCIATION
4300 220th Street West
Farmington, Minnesota 55024

SECTION: V
SHEET: 28.2
REVISION:

Formatted: Centered

The following Reservation and Usage Fees are applicable in addition to all charges for service being taken under Cooperative's base rate schedule:

Reservation Fees

Charges as specified below for the reservation of either Firm or Non-Firm generation, transmission and distribution service per Month per kW will each be applied to the Customer's Contracted Standby Demand as specified in Customer's Electric Service Agreement with Cooperative:

	Firm Service (\$ per kW)	Non-Firm Service (\$ per kW)
Generation	*	**
Transmission	*	**
Distribution	\$2.90	\$2.90

* Firm Standby Service generation and transmission Reservation Fees will be billed under the rates, terms and conditions of the Cooperative's wholesale power supplier.

** Non-Firm Standby Service generation and transmission Reservation Fees will be billed under the rates, terms and conditions of the Cooperative's wholesale power supplier.

Usage Fees

Demand Charge

If Customer registers electrical usage from Cooperative during a billing month then such usage may result in demand charges which may vary between Customers contracting for Firm Standby Service or Non-Firm Standby Service.

If usage of a firm standby Customer results in wholesale capacity charges to Cooperative, then the metered demand of such usage will be charged at the demand rate as contained in the base tariff to which this Rider is attached minus

Deleted: 12/20/91

Deleted: GR-91-74

Deleted: 12/27/91

Issued: 01/01/05

Docket Number: E111/M-04-

Effective: 03/01/05

the applicable Reservation Fees paid by Customer during such billing month...The reduction in the base tariff billing demand will be provided up to the amount of Contracted Standby Demand. Any metered demand for Customer electrical usage from Cooperative that exceeds the Contracted Standby Demand level will be billed at the full demand rate specified in the base tariff. In addition, Customer's Contracted Standby Demand will be adjusted as specified in the Billing Demand clause of this Rider. If Customer registers electrical usage from Cooperative during a billing month that also coincides with the Cooperative's wholesale power supplier's applicable billing peak, then additional demand charges may be applied by Cooperative to ensure that Customer fully compensates Cooperative for such wholesale power costs.

Power may not be available when needed for a non-firm standby Customer. If power is available and usage of a non-firm standby Customer results in wholesale capacity charges to Cooperative, then the metered demand of such usage will be charged at no less than the demand rate as contained in the base tariff to which this Rider is attached minus the applicable Reservation Fees paid by Customer during such billing month. (Any higher demand charges for non-firm demand use will reflect higher wholesale demand costs incurred to provide such service.) The reduction in the base tariff billing demand will be provided up to the amount of Contracted Standby Demand. Any metered demand for Customer electrical usage from Cooperative that exceeds the Contracted Standby Demand level will be billed at the full demand rate specified in the base tariff. In addition, Customer's Contracted Standby Demand will be adjusted as specified in the Billing Demand clause of this Rider. If Customer registers electrical usage from Cooperative during a billing month that also coincides with the Cooperative's wholesale power supplier's applicable billing peak, then additional demand charges may be applied by Cooperative to ensure that Customer fully compensates Cooperative for such wholesale power costs.

Energy Charge

Energy actually used by a firm standby Customer under this Rider will be charged at the same energy rate as contained in the base tariff to which this Rider is attached.

DAKOTA ELECTRIC ASSOCIATION
4300 220th Street West
Farmington, Minnesota 55024

SECTION: V
SHEET: 28.3
REVISION:

If energy is available for a non-firm standby Customer, then energy actually used under this Rider will be charged at no less than the energy rate contained in the base tariff to which this Rider is attached. Any higher energy charges for non-firm energy use will reflect higher wholesale energy costs incurred to provide such energy.

Rate Adjustments

Bills shall be subject to all adjustments applicable to the base schedule to which this Rider is attached.

BILLING DEMAND

The Customer shall contract for a specific kilowatt demand of standby service sufficient to meet the Customer's requirements when the distributed generation system is not being operated. In the event the Contracted Standby Demand is exceeded in any month by a higher billing demand, such higher demand shall be considered as the new billing demand for the month. The billing demand for Reservation Fees thereafter shall be not be less than the newly established billing demand for the remainder of the contract. Such adjustment of billing demand applicable to Reservation Fees will recognize circumstances where on-going firm service is being provided in addition to standby service.

STRANDED INVESTMENT

Any Customer who installs load limiting equipment to ensure that standby service is not taken (physical assurance) and does not intend to deliver power into the distribution system will have the option of making a lump sum payment to Cooperative for stranded distribution investment. If such lump sum payment is not made, then Customer will be subject to distribution standby charges based on Customer's typical demands incurred prior to requesting physical assurance status.

Deleted: 12/20/91
Deleted: GR-91-74
Deleted: 12/27/91

BILLING AND TERMS OF PAYMENT

Billing and terms of payment shall be governed as set forth in the Cooperative's applicable base rate schedule.

TERMS AND CONDITIONS OF SERVICE

- 1. The Customer shall execute an Electric Service Agreement with the Cooperative which shall specify:
 - a. Standard rate schedule (to which this Rider is attached);
 - b. Contracted Standby Demand;
 - c. Generator Nameplate Rating; and
 - d. Type of Standby Service (firm or non-firm).
- 2. Service hereunder is subject to Cooperative's Interconnection Process for Distributed Generation Systems and Distributed Generation Interconnection Requirements as may be modified from time-to-time.
- 3. Cooperative will install all metering equipment necessary to monitor services provided to ensure adequate measurements are obtained to support necessary application of charges. Customer will be charged an up-front lump sum for the installed cost of such metering equipment and expected future operation and maintenance expenses for this metering equipment.
- 4. The Customer shall make provision for on-site metering. All energy received from and delivered to the Cooperative shall be separately metered. The Cooperative may require metering of the generation output.
- 5. The Customer shall pay for all interconnection costs incurred by the Cooperative made necessary by the installation of the distributed generation system.
- 6. The Cooperative reserves the right to disconnect the Customer's generator from its system if it interferes with the operation of the Cooperative's equipment or with the equipment of other Cooperative Customers.

Formatted: Bullets and Numbering

DAKOTA ELECTRIC ASSOCIATION
4300 220th Street West
Farmington, Minnesota 55024

SECTION V
SHEET 28.4
REVISION:

- 7. The Cooperative shall not be obligated to supply standby service for a Customer's load in excess of the capacity for which Customer has contracted.
- 8. The Customer shall be liable for all damages or costs caused by Customer's use of power in excess of contracted for capacity.
- 9. Cooperative may require Customer to furnish and install an approved load limiting device which shall be set and sealed by Cooperative so that the Customer's use of service will not exceed the number of kilowatts contracted for by Customer.
- 10. The Customer shall annually furnish documentation to the Cooperative confirming the maximum capacity and reliability of the power source for which the Customer requires Standby Service.
- 11. Cooperative and Customer will coordinate the planning and determining of a schedule for performance of periodic maintenance of Customer's facilities, such maintenance shall be scheduled to avoid wholesale power billing costs or as agreed upon in the contract. Cooperative will require the Customer to provide reasonable notice of its proposed schedule for maintenance. The duration of the agreed maintenance schedule may thereafter be extended only with the consent of the Cooperative in response to Customer's request received prior to the end of the maintenance period.
- 12. The Cooperative reserves the right to establish a minimum charge in order to recover the costs of facilities required to serve such load. Said charge shall be specified in the Electric Service Agreement.
- 13. Cooperative may be reimbursed by the Customer for costs which are incurred, or which have been previously incurred, in providing facilities which are used principally or exclusively in supplying service for any portion of the Customer's requirements which are to be normally supplied from a source of power other than the Cooperative's electric system.
- 14. All electricity delivered shall be for the exclusive use of the Customer and shall not be resold.
- 15. Customer shall indemnify Cooperative against all liability which may result from any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, or operation of the co-generation facility or by any related act or omission of the Customer, its employees, agents, contractors or subcontractors.

Formatted: Bullets and Numbering

Deleted: 1

Deleted: 12/20/91

Deleted: GR-91-74

Deleted: 12/27/91

SCHEDULE 60
STANDBY SERVICE RIDER
LARGE POWER GENERAL SERVICE
(Continued)

7. The consumer shall annually furnish documentation to the Association confirming the maximum capacity and reliability of the power source for which the consumer requires Standby Service. If experience demonstrates that the consumer's power source is not reasonably reliable, the Association may, at its discretion, refuse to provide Standby Service.
8. The consumer shall remain on standby service for a period of not less than twelve months.
9. Any capacity and/or energy which the Association supplies to the consumer during periods when the consumer's power source is unavailable will be billed at the Association's Large Power General Service Rate 43 or Large Commercial and Industrial Rate 48, except that the ratchet provision shall not apply.

SCHEDULE 61
RIDER FOR DISTRIBUTED GENERATION

APPLICATION

The Rider for Distributed Generation is applicable as follows to any Customer taking service under one of the Cooperative's standard electric rate schedules and who has entered into an Electric Service Agreement with Cooperative for the interconnection and operation of an on-site extended parallel distributed generation system:

1. The distributed generation system must be an operable, permanently installed or mobile-generation facility connected in parallel to the utility distribution system serving the customer receiving retail electric service at the same site.
2. The distributed generation system must be fueled by either natural gas, a renewable fuel, or another similarly clean fuel or combination of fuels.
3. The distributed generation system can not have more than 10 MW of interconnected capacity at a point of common coupling to Cooperative's distribution system.
4. The interconnection and operation of the distributed generation system at each point of common coupling shall be considered as a separate application of the Rider.
5. All provisions of the applicable standard service schedule shall apply to distributed generation service under this Rider except as noted below.

In lieu of service under this Rider, Customer and Cooperative may pursue reasonable transactions outside the Rider; or Customer may take service, as applicable, under Cooperative's Rider for Parallel Generation as established under Minnesota Rules 7835 - Cogeneration and Small Power Production.

DEFINITIONS

Customer is an entity receiving retail electric service from Cooperative at the same site as the distributed generation system.

Extended Parallel means the distributed generation system is designed to remain connected with the Cooperative's distribution system for an extended period of time.

Scheduled Maintenance service is energy, or energy and capacity, supplied by the Cooperative during scheduled maintenance of the Customer's non-utility source of electric energy supply (distributed generation system).

Deleted: STANDBY SERVICE RIDER

Deleted: COMMERCIAL GENERAL SERVICE

Deleted: Availability
Available to any consumer for all uses except irrigation. Service is subject to the established rules and regulations of the Association.

Monthly Rate

Facility Charge

Formatted: Bullets and Numbering

Deleted: 12/20/91

Deleted: GR-91-74

Deleted: 12/27/91

Unscheduled Outage service is energy, or energy and capacity, supplied by the Cooperative during unscheduled outages of the Customer's non-utility source of electric energy supply (distributed generation system).

All other definitions shall be as described in Cooperative's *Distributed Generation Interconnection Requirements* and *Interconnection Process for Distributed Generation Systems*.

SERVICES

Services provided under this Rider may include services from the Cooperative to Customer and from Customer to Cooperative. The following rates, charges, credits and payments are applicable for such services in addition to all applicable charges for service being taken under Cooperative's standard rate schedule:

Services from Cooperative to Customer

A monthly service charge, equal to the service charge contained in the base tariff to which this Rider is attached, will be applied to this Rider to recover costs of administering this Rider.

Services from Cooperative to Customer

Interconnection Services

Interconnection services include services such as engineering/design studies, Cooperative system upgrades and testing as further described in Cooperative's *Distributed Generation Interconnection Requirements* and *Interconnection Process for Distributed Generation Systems*. Charges for such interconnection services shall be as described in the Cooperative's *Distributed Generation Interconnection Requirements* and *Interconnection Process for Distributed Generation Systems*.

Supply Services

Supply services include standby services such as scheduled maintenance, unscheduled outages and supplemental service as provided under Cooperative's *Rider for Standby and Supplemental Service*.

Transmission Services

Transmission services include reservation and delivery of capacity and energy on either a firm or non-firm basis and those ancillary services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation over Transmission Providers' Transmission System. These ancillary services include services such as Scheduling, System Control and Dispatch Service, Reactive Supply and Voltage Control from Generation Sources, Regulation and Frequency Response, Generator Imbalance, Operating Reserve – Spinning Reserve and Operating Reserve – Supplemental Reserve. Transmission Services are provided as applicable under Cooperative's wholesale power supplier's approved Open Access Transmission Tariff (OATT).

Deleted: 12/20/91

Deleted: GR-91-74

Deleted: 12/27/91

Issued: 01/01/05

Docket Number: E111/M-04-

Effective:
03/01/05

Distribution Services

Distribution services include reservation and delivery of capacity and energy and those indirect services that are necessary to support the delivery of capacity and energy over Cooperative's distribution system. These indirect services include allocated support services or expenses such as operation and maintenance, customer accounts, customer service and information, administrative and general, depreciation, interest and taxes. Customers requiring contracted distribution standby service of more than 60 kW and/or delivery of energy and capacity over Cooperative's distribution system to a third party will be charged for such distribution services at a rate equal to the distribution charge specified in the Cooperative's *Rider for Standby and Supplemental Service*.

Services from Customer to Cooperative

Capacity/Energy

Customer may sell all of the energy produced by the distributed generation system to the Cooperative, use all the distributed generation energy to meet its own electrical requirements, or use a portion of the energy from the distributed generation system to meet its own electrical needs and sell the remaining energy to the Cooperative.

If the Customer offers to sell energy to the Cooperative, then such energy and capacity will be purchased by the Cooperative's wholesale power supplier under the rates, terms and conditions for such purchases as established by the wholesale power supplier.

Distribution Credits

A distribution credit may be given if the distributed generation system allows the Cooperative to defer or avoid distribution system upgrades. Distribution credits to the Customer should equal the Cooperative's avoided distribution costs resulting from the installation and operation of the distributed generation system. The Cooperative shall provide, upon Customer's written request, areas of the distribution system that could be likely candidates for distribution credits as determined through the Cooperative's normal planning process. The Cooperative shall also provide to the Customer the minimum size distributed generation system required in each of the areas to qualify for the distribution credit along with general operational requirements necessary for the distributed generation system to meet, so as to be able to receive distribution credits.

Upon receiving an interconnection application from the Customer for a distributed generation interconnection, along with a written request for distribution credits, the Cooperative will complete an initial screening study to determine if the project has the potential to receive distribution credits. The Customer shall be responsible for the cost of the screening study. If the Cooperative's study shows that there exists potential for distribution credit, the Cooperative shall, at its own expense, pursue further study to determine the distribution credit, as part of its annual distribution planning study. If the study cannot be incorporated as part of the Cooperative's annual distribution planning study, then such a study shall be pursued with Customer's approval at Customer's expense. If distribution credits are identified, then such credits will be paid in conjunction with an agreement with the Customer to supply distribution support utilizing the Customer's generation system.

Deleted: 12/20/91

Deleted: GR-91-74

Deleted: 12/27/91

Issued: 01/01/05

Docket Number: E111/M-04-

Effective:
03/01/05

Renewable Credits

If Customer installs a renewable distributed generation system and the Cooperative's wholesale power supplier's purchase of energy and capacity from such facility allows the wholesale power supplier to avoid the need to purchase renewable energy elsewhere, then the purchase of such renewable energy and capacity will reflect the avoided cost of renewable purchases as provided under the wholesale power supplier's applicable rates, terms and conditions for such purchases.

Tradable Emissions Credits

If the purchase of energy and capacity by the Cooperative's wholesale power supplier under the "must buy" provision described above results in the wholesale power supplier receiving an economic value associated with tradable emissions, then tradable emissions credits will be provided to Customer under terms established by the wholesale power supplier that reflects the economic value of such emission credits received by the wholesale power supplier.

TERMS AND CONDITIONS OF SERVICE

The following terms and conditions apply to this Rider:

1. Service hereunder is subject to Cooperative's *Interconnection Process for Distributed Generation Systems* and *Distributed Generation Interconnection Requirements* as may be modified from time-to-time.
2. Cooperative will install all metering equipment necessary to monitor services provided to ensure adequate measurements are obtained to support necessary application of rates, charges, credits and payments. Customer will be charged an up-front lump sum for the installed cost of such metering equipment and expected future operation and maintenance expenses for this metering equipment.
3. The Customer will be compensated monthly for all energy delivered to Cooperative's wholesale power supplier. The timing for these payments is subject to annual review.
4. The Customer shall make provision for on-site metering. All energy received from and delivered to the Cooperative shall be separately metered. The Cooperative may require metering of the generation output.
5. The Customer shall pay for all interconnection costs incurred by the Cooperative made necessary by the installation of the distributed generation system.

Deleted: 12/20/91

Deleted: GR-91-74

Deleted: 12/27/91

Issued: 01/01/05

Docket Number: E111/M-04-

Effective:
03/01/05

6. Power and energy purchased by the Customer from the Cooperative shall be under the applicable retail rates for the purchase of electricity.
7. The Cooperative reserves the right to disconnect the Customer's generator from its system if it interferes with the operation of the Cooperative's equipment or with the equipment of other Cooperative Customers.
8. The Customer shall execute an Electric Service Agreement with the Cooperative which may include, among other provisions, a minimum term of service.

BILLING AND TERMS OF PAYMENT

Billing and terms of payment shall be governed as set forth in the Cooperative's applicable base rate schedule.

To the extent that Cooperative receives service from Customer under this Rider, payment for such services shall be netted against any charges for Cooperative-supplied services hereunder.

Deleted: 1
1
1
1
1
1
1

Deleted: 12/20/91
Deleted: GR-91-74
Deleted: 12/27/91

Issued: 01/01/05

Docket Number: E111/M-04-

Effective:
03/01/05

SCHEDULE 61
STANDBY SERVICE RIDER
COMMERCIAL GENERAL SERVICE
(Continued)

7. ~~The consumer shall annually furnish documentation to the Association confirming the maximum capacity and reliability of the power source for which the consumer requires Standby Service. If experience demonstrates that the consumer's power source is not reasonably reliable, the Association may, at its discretion, refuse to provide Standby Service.~~
8. ~~The consumer shall remain on standby service for a period of not less than twelve months.~~
9. ~~Any capacity and/or energy which the Association supplies to the consumer during periods when the consumer's power source is unavailable will be billed at the Association's General Service Rate 42, except that the ratchet provision shall not apply.~~

SCHEDULE 62
STANDBY SERVICE RIDER
~~GENERAL SERVICE OPTIONAL TIME OF DAY SERVICE~~

Availability

Available to any consumer for general service electrical loads. Service is subject to the established rules and regulations of the Association.

Monthly Rate

Facility Charge		\$25.00
Demand Charge per kW of Contracted Standby Capacity		
— Secondary Voltage Service	@	\$ 2.55/kW
— Primary Voltage	@	\$ 2.40/kW

Terms and Conditions of Service

1. The standby service rider shall apply to any consumer who requires 40 kW or more of standby capacity from the Association.
2. The consumer shall execute an electric service agreement with the Association which shall specify:
 - a. The total capacity requirements which shall be no less than that which the Association shall be required to supply in the event the consumer's power source is not available.
 - b. The capacity of the consumer's power source for which the Association will be providing standby power and to which the standby service charge applies.
3. The Association's meter shall be ratcheted to measure the flow of power and energy from Association to the consumer only.
4. The Association shall not be obligated to supply a consumer's load in excess of the capacity for which consumer has contracted.
5. The consumer shall be liable for all damages caused by consumer's use of power in excess of contracted for capacity.
6. The Association shall require the consumer to contract for additional standby and supplementary capacity if the consumer exceeds his contract amount in any three of the preceding twelve months.

SCHEDULE 62
STANDBY SERVICE RIDER
GENERAL SERVICE OPTIONAL TIME-OF-DAY SERVICE
(Continued)

- ~~7. The consumer shall annually furnish documentation to the Association confirming the maximum capacity and reliability of the power source for which the consumer requires Standby Service. If experience demonstrates that the consumer's power source is not reasonably reliable, the Association may, at its discretion, refuse to provide Standby Service.~~
- ~~8. The consumer shall remain on standby service for a period of not less than twelve months.~~
- ~~9. Any capacity and/or energy which the Association supplies to the consumer during periods when the consumer's power source is unavailable will be billed at the Association's General Service Optional Time of Day Service Rate 54 or Peak Alert Rate 70, except that the ratchet provision shall not apply.~~