



Policy No: 4.40
Title: Interconnection Policy
Date Revised: August 22, 2017

SUBJECT: INTERCONNECTION OF DISTRIBUTED GENERATION RESOURCES

I. OBJECTIVE: To establish the rules and conditions under which member-owned generation may be connected to SMPA's distribution system.

II. POLICY:

Electricity is supplied to San Miguel Power Association, Inc. (SMPA) through a contract with Tri-State Generation and Transmission Association, Inc. (Tri-State) which requires that all energy sold to Members of SMPA be supplied by Tri-State or be generated by SMPA. However, SMPA promotes and encourages the development of renewable (and non-renewable) distributed generation on its system, and will work with members and developers in good faith to that end. Generators must not adversely affect the electric system, meet all safety requirements and all policies and provisions of SMPA.

Members may self-generate under the following conditions:

Standby Generation: Members shall be permitted to generate electricity by separating their electric system from SMPA. This type of generation is normally done during a power outage on SMPA's electrical system and is done under National Electrical Code requirements for standby generators and transfer switches. Transfer switches shall be break-before-make to prevent parallel operation of a member's generator with SMPA's electric system.

Parallel Generation: A Member shall only be permitted to generate electricity by connecting member-owned generation in parallel with SMPA's electrical system under the following conditions:

1. The generator and facilities shall meet the requirements of SMPA's "Interconnection Standards for Generators Under 100 KW" and "Interconnection Standards for Generators Under 10 MW", and/or certification standards mandated by appropriate regulating agencies (such as Colorado's Inverter based system application/certification). These adopted or regulatory documents change from time to time and new installations will meet the latest revisions in place at time of connection.
2. The Member must have a Net Metering or Power Purchase Agreement, Interconnection Agreement, and/or other relevant agreements and documents in place with SMPA prior to operating. The Member will operate under the policies and rate schedules in place by SMPA and/or Tri-State Generation and Transmission.

3. The Member must submit plans of their proposed installation, the Interconnection Application, any other requested information, and required fees. Generator shall not be interconnected with SMPA system without first receiving SMPA approval. Discussions related to the project occurring prior to SMPA receiving formal application and plans shall be considered preliminary and general in nature.

This approval process will include a review by SMPA of the effect of the proposed generation on SMPA's distribution system, including its protective scheme. SMPA reserves the right to refuse to connect parallel generation to its distribution system based on this review. The Member or developer requesting inter-connection shall pay the cost of this review including a reasonable upfront engineering deposit; additional deposit payments may be required for proposed interconnection if necessary to cover consulting engineer's system impact study. No installation will be permitted that reduces reliability to other Members, results in voltage harmonics or other service deficiencies outside of ANSI or other applicable standards. Any mitigation required to resolve issues created by a generator would be the responsibility of the generator-member.

4. The Member will be responsible for the cost of any alterations to SMPA's distribution system to interconnect the proposed generation to SMPA's distribution system, including upgrade of conductor size, addition of voltage regulation equipment, addition of protection equipment, or installation of transformers to accommodate the output of the unit.

5. The Member will pay for the cost of the metering, specified and installed by SMPA or Tri-State, necessary to measure the output of the unit. Measurement shall include energy flow in both directions and, depending on the power purchase size and arrangement, may be time differentiated and require telemetry for real-time monitoring.

6. Member shall be charged for the current energy, kW and other elements under the applicable rate schedule, as approved by the Board and may change over time.

7. The generator and entire installation shall meet the all of the following requirements:

- i) Institute of Electrical and Electronics Engineers (IEEE) 1547TM - Standard for Interconnecting Distributed Resources with Electric Power Systems, approved June 12, 2003
- ii) IEEE 1547.1TM Standard Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems, approved June 9, 2005
- iii) National Electrical Code (ANSI/NFPA 70) latest edition
- iv) National Electrical Safety Code (IEEE C2) latest edition
- v) State and local municipality
- vi) SMPA's engineering department

The Member shall ensure that these requirements have been met through a self-certification, state/local electrical inspector or a qualified independent third-party inspector acceptable to SMPA's engineering department.

8. Appropriate electric power disconnect facilities shall include, at a minimum, a lockable disconnect and a visible open, that are readily accessible to and operable by authorized personnel at all times.

9. The Member making the installation shall indemnify and hold harmless SMPA from the operation, non-operation or interconnection of member-owned generation equipment. In addition, the Member shall carry liability insurance in an amount acceptable to SMPA to cover potential claims with SMPA named as an additional insured.

10. SMPA shall have the right to inspect and witness the approval and commission tests. The Member shall agree to periodic testing of the protective equipment installed with the generator as required by SMPA's engineering department with the cost of testing borne by the Member.

11. A Responsible Party must be responsible for the Distributed Resources compliance with all national, State, local government requirements and electric utility standards for the safety of the public and personnel responsible for utility electric power system operations, maintenance and repair.

12. A Responsible Party must be responsible for the safe and effective operation and maintenance of the facility.

13. Only Responsible Parties may apply for interconnection and the Responsible Party must demonstrate that the facility will be capably developed, constructed and operated, maintained, and repaired.

14. SMPA shall have access to the Distributed Resources facility during normal business hours and all emergency situations.

15. The member or developer of the interconnected generator will be responsible for increased costs to SMPA's wholesale power bill that are a direct result of the interconnection.

III. RESPONSIBILITY: It shall be the responsibility of the General Manager/CEO to see that this policy is implemented and followed.