

INTERCONNECTION OF CONSUMER-GENERATORS
Rules, Regulations or Extension Policy

A. RULES AND REGULATIONS

1. Applicability

These Rules and Regulations will apply to: (1) any Consumer-Generator (member) that uses solar, wind, geothermal, biomass as its energy resource; (2) any member-owned hydroelectric generator with nameplate rating less than 10MW; (3) any member-owned electric generator with a nameplate rating not more than 15MW that converts the otherwise lost energy from heat from exhaust stacks or pipes to electricity and that does not combust additional fossil fuel; and (4) any electric generating resource that is a "Qualifying Facility," as defined under Section 201 of the Public Utility Regulatory Policies Act (PURPA), that a member seeks to interconnect with the Association's electric distribution system.

2. Purchase of Electric Output

The Association will purchase all power, energy or both made available to the Association (1) by Consumer-Generator (members) with residential class service from interconnected electric generating resources where the total nameplate generating capacity connected at one meter location is 10kW or less; or (2) by members with commercial or industrial class service from interconnected electric generating resources where the total nameplate generating capacity connected at one meter location is 25kW or less. Purchase of power, energy or both from interconnected electric generating resources with a total nameplate generating capacity connected at one meter location in excess of 25kW will be handled on a case by case basis and may require a contract with Tri-State Generation and Transmission Association, Inc.; provided that subject to the provisions of these rules, Tri-State and the resource owner may agree to transmit the output of the electric generating resource to another electric utility.

3. Definitions

Business Day: Monday through Thursday, excluding federal holidays.



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4. Interconnection Request – Larger than 2MW

An Applicant who requests interconnection of an electric generating resource to the Association's distribution system, where the total nameplate generating capacity at one meter location is greater than 2MW, will submit to the Level 3 Study Process as set forth in the Interconnection Rules established by the Colorado Public Utilities Commission at 4 CCR723-3 Rule 3665.c. This process will include joint meetings with the Association and Tri-State Generation and Transmission Association, Inc.

5. Interconnection Request 2MW or Smaller

An Applicant who requests interconnection of an electric generating resource to the Association's distribution system, where the total nameplate generating capacity at one meter location is 2MW or less, will submit an Interconnection Request and pay an initial application fee of \$200.

Additional fees may be required if a Supplemental Review is required. The Interconnection Request will be addressed to:
Mountain View Electric Association, Inc.
11140 East Woodmen Road, Falcon, Colorado 80831.

Information on the application process can be obtained from the Manager of Engineering by telephone at 719-495-2283, or by email at engineering@mvea.org.

6. Information Required in Interconnection Request.

The following minimum information is required by the Association as part of the Interconnect Request:

- a. The name and address of all owners and operators and the location of the facility;



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- b. A brief description of the facility, including a one-line diagram and a statement indicating whether the facility is a small power production or cogeneration facility as defined by PURPA. If a cogeneration facility, whether it is a topping-cycle or bottoming-cycle facility;
- c. The primary energy source used or proposed to be used by the facility, and the energy source mix of the facility;
- d. The power production capacity of the facility, including nameplate ratings of the generator(s) in kW, KVA and AC Volts;
- e. The percentage of ownership of the facility by any electric utility or by any public utility holding company or by any person, corporation or entity owned by either;
- f. The date installation of the facility began or will begin, and estimated in-service date;
- g. The name, telephone number, fax number, mail address and e-mail address of the contact person for the owner;
- h. The name, telephone number, fax number, mail address and e-mail address of the contact person at any engineering firm involved in the installation of the facility;
- i. The manufacturer, model number and nameplate ratings of any inverter in kW, KVA and AC Volts;
- j. Whether the inverter or control equipment is UL 1741 listed. If so, attach a copy of manufacturer's cut-sheet showing UL 1741 listing;


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k. Whether the entire generating facility has been certified, as a system, by a nationally recognized testing laboratory recognized by the United States Occupational Safety and Health Administration (OSHA) to test and certify interconnection equipment. If so, attach a copy of the certification documentation;

l. Copies of all deeds, leases, contracts to purchase and documentation of business relationships demonstrating that the Applicant has the right to possess or occupy the situs of the facility for the purpose of installing or constructing the electric generating facility.

7. Receipt and Acknowledgment of Interconnection Request

The Association will date and time stamp the Interconnection Request upon receipt, and will notify the Applicant of receipt within three (3) business days thereof. Within eight (8) business days of receipt, the Association will notify the Applicant whether the Interconnection Request is complete, and if not, the Association will provide a list of all information that must be provided to complete the Interconnection Request. If the Applicant does not submit the necessary information to complete an Interconnection Request within eight (8) days after receipt of a notice that it is incomplete, the Interconnection Request will be deemed withdrawn. Applications will be considered and acted upon in the order in which they are received.

8. Modification of an Interconnection Request

The Applicant will provide written notice of any modification to machine data or equipment configuration or to the location of the interconnection. The Association will date and time stamp such notice upon receipt, after which receipt of such notice will be considered the date of receipt of the Interconnection Request. In the event that modifications are made without providing written notice to the Association, the Interconnection Request will be deemed withdrawn.



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9. Initial Review of Interconnection Request

Within twelve (12) business days after notifying the Applicant that the Interconnection Request is complete, the Association will perform an initial review using the screens set forth on Appendix 1., will notify the Applicant of the results of the review, and will include with the notification copies of the analysis and data underlying the Association's determinations under the screens. If the proposed interconnection passes the screens, the Interconnection Request will be approved and the Association will provide the Applicant with an executable Interconnection Agreement, in the standard form set forth on Appendix 2 hereof within four (4) business days of the determination.

10. Customer Options Meeting

If the proposed interconnection fails the screens, the notice of the results of the initial review will include an offer to meet with the Applicant within eight (8) business days to consider minor modifications to either the electric generating facility or the Association's system necessary to approve the interconnection, to provide a non-binding good-faith estimate of the cost to make any necessary modifications to the Association's system, to offer to perform a supplemental review of the application to determine whether the facility can be connected consistent with safety, reliability and power quality standards and to provide a non-binding good-faith estimate of the cost of the supplemental review.

11. Supplemental Review

If the Applicant agrees to the supplemental review within twelve (12) business days of the offer and submits a deposit for the good faith estimate of the cost of the supplemental review, the Association will, within eight (8) days following receipt of the deposit, determine if the electric generating facility can be connected safely and reliably. If so, the Association will forward an executable interconnection agreement to the Applicant within twelve (12) days following receipt of the deposit, setting forth any necessary changes to the generating facility and which requires the Applicant to pay the costs of any necessary modifications to the Association's distribution system prior to interconnection.


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12. Level 3 Study Process

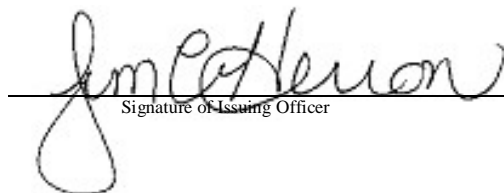
If the Association determines that the electric generating facility can not be connected safely and reliably, substantially in the form applied for, the Applicant may chose to proceed with a Level 3 Study Process as set forth in the Interconnection Rules established by the Colorado Public Utilities Commission at 4 CCR723-3 Rule 3665.c.

13. Interconnection Agreement

After receiving an Interconnection Agreement from the Association, the Applicant will have twenty-four business days, or other mutually agreeable time, to sign and return the Agreement or request that the Association file an unexecuted copy with the Colorado Public Utilities Commission. If the Applicant does not return the signed Agreement or ask that it be filed with the Commission within twenty-four (24) business days, the Application will be deemed withdrawn.

14. Interconnection Metering

The Association will provide metering necessary for the application under the Association's Rate Code 42 to the interconnection. Any additional metering required by the Applicant will be installed at the Applicant's expense. Nothing in this Rule will preclude either the Applicant or the Association from installing additional metering, at their expense, necessary to count Renewable Energy Credits for their own account.



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15. Commissioning Tests and Inspections

Commissioning tests of the Applicant's installed equipment will be performed pursuant to applicable codes and standards, including IEEE 1547.1 2005 "IEEE Standard Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems." Within eight (8) business days after written notice has been provided to the Association that installation of the equipment is complete and that it has been approved by any applicable regional or state electrical wiring inspection program, the Association will inspect the interconnection installation, and will be allowed to be present to witness commissioning tests. The Association will be reimbursed by the Applicant for its costs in witnessing such tests for facilities installed following Supplemental Reviews or the Level 3 Study Process. As soon as practicable after the inspection takes place, the Association will provide a written statement that the installation has passed inspection, or will notify the Applicant of what steps it must take to pass inspection.

16. No Interconnection Until Compliance

The electric generating resource will not be interconnected with the Association's distribution system until it has been established, to the satisfaction of the Association, that the resource complies with the provisions of this Rule, any certifications required hereby and the provisions of the Interconnection Agreement, including any special provisions determined during a Supplemental Review or Level 3 Study Process.

17. Safe Operation - Maintenance – Disconnection

The Applicant will be fully responsible for operation, repair and maintenance of the interconnected electric generating resource as required to maintain safe and reliable operation, and to ensure that it complies at all times with the interconnection standards to which it has been certified. The Association may disconnect the resource at any time if it determines that the resource is not operating in a manner consistent with the Interconnection Agreement.



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The Association may temporarily disconnect the resource from the interconnected utility system, either directly or by operation of a disconnection or protective device, for a scheduled or unscheduled outage. The Association will inform the Applicant in advance of any scheduled disconnection, or as soon as reasonably possible after an unscheduled disconnection.

The Association will have access to the disconnect switch and metering equipment of the interconnected electric generating resource at all times. The Association will provide reasonable notice to the Applicant when possible prior to using its right of access.

18. Liability – Indemnification

Each party's liability to the other for any direct loss, cost, damage or expense, including reasonable attorney fees, relating to or arising from any act or omission in performance of the Interconnection Agreement will be limited to the amount of direct damage actually incurred. In no event will either party be liable to the other for any indirect, incidental, special, consequential or punitive damages of any kind whatsoever except as provided for herein.

Notwithstanding any other provision of this Rule, the Applicant and the Association will at all times indemnify, defend and save the other harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, including court costs and attorney fees, and all other obligations by or to third parties, arising out of or resulting from the indemnifying party's action, inactions or obligations under the Interconnection Agreement, except in cases of gross negligence or intentional wrongdoing by the party to be indemnified.



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19. Insurance

For interconnected electric generating resources of 10kW or less, the Applicant, at its own expense, will secure and maintain in effect during the term of the Interconnection Agreement liability insurance with a combined single limit for bodily injury and property damage of not less than \$300,000 for each occurrence. For interconnected electric generating resources with nameplate capacity above 10kW and up to 2MW, the Applicant, at its own expense, will secure and maintain in effect during the term of the Interconnection Agreement liability insurance with a combined single limit for bodily injury and property damage of not less than \$2,000,000 for each occurrence. Insurance coverage for interconnected electric generating resources with nameplate capacity greater than 2MW will be determined by the Association on a case-by-case basis, and will reflect the size of the installation and the potential for utility system damage.

For all interconnected electric generating resources, which have an aggregated nameplate capacity of over 10 kW, the liability insurance will not exclude coverage for any incident related to the subject generator or its operation. Except for systems installed on a residential premises which have an aggregated nameplate capacity of 10kW or less, the Association will be named as an additional insured by endorsement to the policy, and the policy will provide that written notice be given to the Association at least thirty (30) days prior to any cancellation or reduction of any coverage. The Association will not by reason of its inclusion as an additional insured incur liability to the insurance carrier for the payment of premiums for such insurance.

The Applicant will provide the Association with a copy of the current liability insurance policy and all endorsements, together with a Certificate of Insurance evidencing the requisite coverage and provisions prior to the date of interconnection. The Association will be permitted to periodically obtain proof of current insurance coverage from the Applicant. The Applicant will not be allowed to commence or continue interconnected operations unless evidence is provided that satisfactory insurance is in effect at all times.



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20. Time Frames

The Association will make reasonable efforts to meet all time frames provided in this Rule unless the Association and the Applicant agree to a different schedule. If the Association can not meet a deadline provided for herein, it will so notify the Applicant, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable step in the interconnection process.

21. Disputes

If a dispute arises relating to an Interconnection Request, and is not resolved, the parties (the "Disputants") will first proceed in good faith to submit the matter to mediation. The Disputants will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. In the event the entire dispute is not resolved within twenty-four (24) calendar days from the date written notice requesting mediation is sent by one Disputant to the other(s), the mediation, unless otherwise agreed, will terminate; and the Disputants may then exercise whatever rights and remedies they may have in equity or law, consistent with the terms of the agreements between the Disputants, or either of them may seek resolution at the Colorado Public Utilities Commission.

22. Compliance with Regulations

The Provisions of Colorado Public Utilities rules and regulations at 4 CCR723-3 Section 3665 will generally control all Interconnection Requests; provided that in the event of a conflict between such regulations and this Rule, the provisions of this Rule will control.


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