

DISTRIBUTED GENERATION INTERCONNECTION AND PURCHASE POLICY

1.1 General Information

This Distributed Generation Interconnection and Purchase Policy (“Policy”) applies to the installation and parallel operation of a generation facility that does not adversely affect the Cooperative’s system. Throughout this Policy, the term “Facility” shall mean either (i) a Member owned generation facility or energy storage facility, or (ii) a generation facility that has obtained a Qualifying Facility designation in accordance the Public Utility Regulatory Policies Act of 1978. A Facility shall include any generation and associated equipment, wiring, protective devices, or switches owned or leased by the owner of such Facility.

This Policy is not a complete description or listing of all laws, ordinances, rules and regulations, nor is this Policy intended to be an installation or safety manual. The Board of Directors reserves the right to make changes to the Policy.

The “Classification” of a Facility shall be determined by the Cooperative depending on the specific Facility ownership and type. The Cooperative, at its discretion may aggregate the total capacity of the Facilities the Member intends to connect for the purpose of determining Classification. In general, the Classifications and associated Classification criteria for a Facility shall be as follows:

Classification	Size (kW)	Membership Requirement	Qualifying Facility Designation Required
Class I	≤ 25	Yes	No
Class II	> 25 ≤ 100	Yes	No
Class III	≤ 1,000	No	Yes
Class IV	> 1,000	No	As determined by Cooperative’s Power Supplier

1.2 Applicability

This Policy shall only apply to (i) Members who (a) are receiving Electric Service from the Cooperative under one of the Cooperative’s rate schedules, and (b) intend to connect and operate the Facility in “parallel” with the Cooperative’s system for the purpose of serving load behind a single meter location, or (ii) Facilities that have obtained a Qualifying Facility designation. For the avoidance of doubt, this Policy is intended to cover, *inter alia*, Facilities up to 10MVA. A Facility owner is not permitted to serve multiple meters, multiple consuming facilities or multiple Members with a single Facility or under a single Facility application.

A Facility that is not electrically connected to the Cooperative’s system in any way shall be considered a “stand-alone” or “isolated” Facility. A Facility owner may operate a Facility in stand-alone or isolated fashion as long as such Facility does not adversely affect the Cooperative’s system. A Facility

connected in any way to the Cooperative's system, regardless of whether the Facility owner intends to export power, shall be considered as operating in "parallel" with the Cooperative's system.

1.3. Compliance With Laws and Regulations

The Facility shall be installed and operated subject to and in accordance with (1) the terms and conditions set forth in the Cooperative's rules, policies, regulations, bylaws, rates and tariffs, as amended from time to time, which are incorporated herein by reference, and (2) in compliance with all applicable federal, state and local laws, regulations, zoning codes, building codes, safety rules, environmental restrictions, ordinances and regulations, including without limitation, the most recent IEEE Standard 1547 Guide for Distributed Generation Interconnection, applicable ANSI standards, including ANSI C84.1 Range A, guidelines and directives of regional transmission organizations and independent system operators, and in accordance with industry standard prudent engineering practices. All legal, technical, financial, and other requirements in the following sections of this Policy must be met prior to interconnection of the Facility to the Cooperative's system.

1.4 Interconnection Requirements of Facilities

Additional interconnection requirements will be set forth in the appropriate agreement between the Facility owner and the Cooperative regarding the interconnection of the Facility. Additional fees and costs associated with the Facility and interconnection process are set forth in the Cooperative's rate schedules and associated riders.

1.5 Power Exported to Cooperative

All purchases from Class I and II Facilities shall be made according to the rates, terms and conditions set forth in the Cooperative's rates schedules and associated riders; provided, however, the Cooperative shall not be required to make any purchases that will cause the Cooperative to no longer be in compliance with any applicable laws, or contracts with its power supplier(s). In the event the Facility is a Class III or IV Facility, purchases shall be made in accordance with a negotiated Power Purchase Agreement between the Facility owner and the Cooperative (if a Class III Facility) or its Power Supplier (if a Class IV Facility).

1.6. New Interconnection Service Request.

The Facility owner shall not interconnect or operate a Facility before: (1) submitting, prior to construction, an Application For Interconnection of a Distributed Generation Facility (“Application”); (2) the Cooperative reviews and analyzes the Facility owner’s plans for interconnection prior to commencement of construction; (3) paying all fees associated with the application and review process as provided by the Cooperative, or its power supplier if applicable, and any other costs associated with the interconnection as may be required by the Cooperative, or its power supplier if applicable; (4) signing any agreements for the interconnection and/or operation of the Facility that may be required by the Cooperative, or its power supplier if applicable, prior to commencing construction; (5) all necessary system facilities and equipment have been installed for and paid by the Facility owner; and (6) receiving approval from the Cooperative to interconnect and operate the Facility.

If corrections or changes to the plans, specifications and other information are to be made by the Facility owner, an additional interconnection study may be conducted by the Cooperative. In addition, any changes to the site or project requiring new analysis by the Cooperative may require additional cost and a new Facility Plan. The cost will be determined by the Cooperative and shall be paid by the Facility owner.

Completed applications, supporting documentation, and any fees or amounts due for the interconnection, should be delivered to:

Wood County Electric Cooperative, Inc.
Attn: System Engineer
P.O. Box 1827
Quitman, TX 75783
(903) 763-5693 (facsimile)
brian.morgan@wcec.org

Prior to review of the Facility owner’s Application, the Facility owner shall pay the application fee and any additional engineering fee as indicated below.

Classification	Application Fee	Additional Engineering Fees/Costs
Class I	\$50	None
Class II	\$250	As Required
Class III	\$500 + Engineering Costs	As Required
Class IV	[Determined by Cooperative’s Power Supplier]	[Determined by Cooperative’s Power Supplier]

A separate application fee and additional engineering fee must be submitted for each Facility.

1.7. Liability Insurance

The requirement to obtain and maintain insurance for the Facility is dependent on the Facility's classification as set forth below:

Classification	Insurance Requirement
Class I	Per Cooperative's rates schedules and associated riders.
Class II	Per Cooperative's rates schedules and associated riders.
Class III	Negotiated in PPA
Class IV	As determined by Cooperative's Power Supplier

If applicable, the Facility's owner must provide proof of insurance acceptable to the Cooperative, or the Cooperative's power supplier if applicable, prior to interconnection. The amount of such coverage, the type, and the terms and conditions of such insurance coverage shall be as determined by the Cooperative and may be amended from time to time by the Cooperative, at the sole discretion of the Cooperative.

The Facility owner shall provide proof of insurance as requested by the Cooperative.

1.8. Agreements

The Facility owner will execute an agreement for the interconnection and operation in accordance with the Facility's classification:

Classification	Agreement
Class I	Standard Agreement
Class II	Standard Agreement
Class III	Interconnection Agreement and Power Purchase Agreement with Cooperative
Class IV	Interconnection Agreement with Cooperative and Power Purchase Agreement with Cooperative's Power Supplier

The Cooperative may, in its sole discretion, require the Facility owner to execute additional contracts related to the interconnection and operation of the Facility prior to the time of interconnection.

1.9. Refusal to Interconnect Service or Disconnection of Interconnection Service

The Cooperative may, at its sole discretion, prevent the interconnection or disconnect the interconnection of the Facility due to reasons such as safety concerns, reliability issues, power quality issues, breach of interconnection contract or any other reasonable issue. Any such disconnection may be without prior notice to Facility owner.

1.10. Ownership of Facilities

The Facility owner shall own and be solely responsible for payment of all expenses relating to the installation, maintenance and operation of all facilities, including all power generating facilities, at and beyond the point of delivery as defined in the Cooperative's tariffs. At its sole discretion, the Cooperative may require the Facility owner to install a meter base that will allow the Cooperative to install a Cooperative owned meter to measure the output of the Facility.

1.11. Self-Protection of Facility

The Facility owner will furnish, install, operate and maintain in good order and repair all equipment necessary for the safe operation of the Facility operated in parallel with the Cooperative system. The Facility owner's equipment will have capability to both establish and maintain synchronism with the Cooperative system and to automatically disconnect and isolate the Facility from the Cooperative system.

The Facility must be designed, installed and maintained to be self-protected from normal and abnormal conditions on the Cooperative system including, but not limited to, overvoltage, undervoltage, overcurrent, frequency deviation, and faults. Self-protection will be compatible with all applicable Cooperative protection arrangements and operating policies. Additional protective devices and/or functions may be required by the Cooperative when, in the sole judgment of the Cooperative, the Facility installation and/or the Cooperative system characteristics so warrant.

1.12. Safety Disconnect

The Facility owner will be required by the Cooperative to install a visible load break disconnect switch at the Facility owner's expense and to the Cooperative's specifications at its sole discretion. The switch will be located so as to be readily accessible to Cooperative personnel in a location acceptable to the Cooperative. The switch shall be a type that can be secured in an open position by a lock owned by the Cooperative. If the Cooperative has locked the disconnect switch open, the Facility owner shall not operate or close the disconnect switch. The Cooperative shall have the right to lock the switch open when, in the judgment of the Cooperative:

- (1) It is necessary to maintain safe electrical operating and/or maintenance conditions,
- (2) The Facility adversely affects the Cooperative system, or
- (3) There is a system emergency or other abnormal operating condition warranting disconnection.

The Cooperative reserves the right to operate the disconnect switch for the protection of the Cooperative system even if it affects the Facility. In the event the Cooperative opens and/or closes the disconnect switch:

- (1) The Cooperative shall not be responsible for energization or restoration of parallel operation of the Facility.
- (2) The Cooperative will make reasonable efforts to notify the Facility owner.

Signage shall be required by the Cooperative at the Facility owner's expense and located at the disconnect indicating the purpose of the switch along with contact names and numbers of both the Facility owner and the Cooperative.

1.13. Access

Persons authorized by the Cooperative will have the right to enter the Facility owner's property for purposes of testing, operating the disconnect switch (if required), reading or testing the metering equipment, maintaining right-of-way or other Facility equipment to be maintained by the Cooperative, and/or a Cooperative service requirement. Such entry onto the Facility owner's property may be without notice.

If the Facility owner erects or maintains locked gates or other barriers, the Facility owner will furnish the Cooperative with convenient means to circumvent the barrier for full access for the above-mentioned reasons. If at any time, the Cooperative shall be barred from accessing the Facility and/or related equipment and requires, in the Cooperative's sole discretion, immediate access to the Facility or related equipment, the Cooperative shall have the right to remove any such barrier by any means necessary.

1.14. Metering/Monitoring

The Cooperative shall, specify, install and own all metering equipment, including multiple meters if required, and the Facility owner shall be obligated to pay all costs related to installation and operation of such metering equipment. Decisions regarding metering equipment, including specifications and requirements, shall be at the sole discretion of the Cooperative.

The Cooperative may, at its sole discretion, require the Facility owner to pay the Cooperative in advance for any or all metering and monitoring equipment and installation expenses. Meter testing shall follow the Cooperative's standard policy on metering testing and accuracy.

1.15. Notice of Change in Installation

The Facility owner will notify the Cooperative in writing no less than thirty (30) days in advance of making any change affecting the characteristics, performance, or protection of the Facility. Any change in the operating characteristics of the Facility including, but not limited to, size of generator, total facility capacity, nature of facility, fuel source, site change, hours of operation, or type used, may require a new application process, including, but not limited to, application form, application fee, and Facility plan review by the Cooperative.

1.16. Testing of Facility

The Cooperative shall have the right to test all aspects of the Facility's protection systems up to and including tripping of the generator and interconnection point at start-up and thereafter as required. Testing will verify all protective set points and relay/breaker trip timing and shall include procedures to functionally test all protective elements of the system.

ATTACHMENT A
(DGI and Purchase Policy)

**APPLICATION FOR INTERCONNECTION OF A DISTRIBUTED
GENERATION FACILITY**

To be developed by Cooperative Management/Staff

ATTACHMENT B
(DGI and Purchase Policy)

**AGREEMENT FOR INTERCONNECTION AND
PARALLEL OPERATION OF MEMBER GENERATION FACILITY**

To be developed by Cooperative Management/Staff