

MEMBER RELATIONS POLICY NO. 416

1. SUBJECT: INTERCONNECTION OF MEMBERGENERATION RESOURCES SMALLER THAN 25kW

2. OBJECTIVE:

Beartooth Electric Cooperative, Inc. (BEC) recognizes that their members may want to take advantage of alternative on-site generation sources. This policy outlines the means and requirements for interconnection of this generation with Beartooth Electric Cooperative's distribution lines.

3. POLICY

3.1. AVAILABILITY AND REQUIREMENTS

3.1.1. When a member desires to interconnect to the Cooperative's grid the following minimal requirements must be met:

3.1.1.1. A signed interconnection agreement outlining specific terms and conditions with the Cooperative is required.

3.1.1.2. The generation source shall be renewable including but not limited to wind, solar, geothermal or hydro.

3.2. NET METERING PROGRAM

3.2.1. Net Metering is defined as the interconnection of member-generation from a renewable source to Cooperative facilities, in which the generation output of energy not used at the service is netted against the energy delivered by the Cooperative within the following guidelines:

3.2.1.1. Name-plate generating capacity shall not exceed 25 kW.

3.2.1.2. Member-generation is intended primarily to offset part or all of the member's own electrical requirements at the service.

3.2.1.3. Costs associated with interconnecting or administering net metering systems are the responsibility of the member-generator.

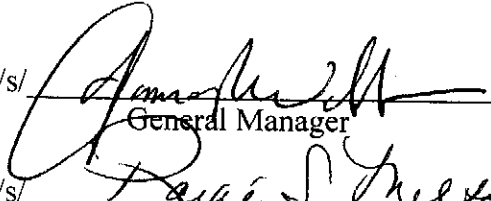
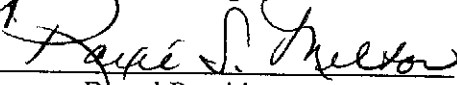
3.2.1.4. A standard non-detent meter may be allowed to turn the direction the power flows. Two detent meters may be required if needed for automated meter reading systems.

- 3.2.1.5. Charges for energy delivered by the Cooperative in excess of the energy flowed back onto the system by the member-generator shall be billed monthly at a retail rate.
- 3.2.1.6. Monthly facility charge will be assessed for Cooperative costs and expenses including distribution and transmission costs and expenses.
- 3.2.1.7. Net electricity produced or consumed during the billing period shall be measured, in accordance with normal metering practices.
- 3.2.1.8. At the end of the 12 month billing period, any unused kilowatt hour credit accumulated during the previous 12 months shall be sold to the Cooperative at the current avoided costs for the applicable calendar year and rate schedule.
- 3.2.1.9. The Cooperative requires that a visual disconnect be installed at the metering point to give a means of visual open that can be locked during Cooperative outage or its convenience. This visual disconnect will also give the consumer the necessary protection to isolate their equipment from the Cooperative facilities.
- 3.2.1.10. The Cooperative will inspect the installation prior to energizing and any deficiencies noted by the inspection must be corrected prior to energizing. This inspection will not relieve the Member of any liability. The Cooperative reserves the right to inspect the installation at any future time to ensure correct operating parameters.
- 3.2.1.11. The Member's system shall be equipped and constructed such that it will automatically disconnect from a de-energized or faulted utility line. The protective requirements are intended to achieve the following:
  - Insure safety of the general public, personnel and Cooperative personnel.
  - Minimize damage to property of the general public, the Cooperative and its consumers.
  - Minimize adverse operating conditions.
- 3.2.1.11.1. To achieve these objectives, certain power protective equipment (invertors, relays, circuit breakers, etc.) must be installed. These devices insure that faults or other abnormalities initiate prompt and appropriate disconnection of the Project from the Cooperatives system. Protective equipment requirements depend upon the plan of service.

#### 4. RESPONSIBILITY:

- 4.1. The general manager shall ensure that the provisions of this policy are followed.

Adopted: 11/23/2010  
Revised: 07/26/2016  
Reference: BEC VIII-E-1  
Review Date: 05/31/2016

Attest: /s/   
General Manager  
Attest: /s/   
Board President



---

## Interconnection Agreement Net Metering Service

This agreement dated this \_\_\_\_\_ day of, 20 \_\_\_\_, by and between Beartooth Electric Cooperative, Inc. (BEC), and \_\_\_\_\_, (Member(s)).

Whereas Member(s) owns or intends to install and own an electric energy generating facility (Facility) qualifying for Net Metering Service as allowed in BEC's current rules, regulations and policies.  
Location:

---

---

And, whereas Member(s) wishes to sell and BEC is willing to purchase energy produced by the Facility; the parties agree:

- 1) **Generating Facility:** Member(s)'s Facility shall consist of a distributive generating facility. Said Facility will be interconnected and operated in parallel with BEC's distribution facilities, and is intended primarily to offset part or all of Member(s)'s own electrical requirements measured by BEC at a single metered facility located at the immediate interconnection point of the Member(s)'s generating facility.
- 2) **Term:** This agreement shall commence when signed by both BEC and Member(s) and continue on a month-to-month basis until otherwise terminated. Termination will occur with any change in ownership, or by written agreement signed by all parties.
- 3) **Definition of Terms:**
  - a) **Net Energy:** Is the difference between electricity supplied through the electric grid to Member(s) and electricity generated by the Member(s) and fed back to the electric grid over the applicable billing period.
  - b) **Member(s):** Is synonymous with Owner(s)/Generator(s) and means a user or users of a net metering system.

- c) **Avoided Costs:** Means the wholesale energy component of BEC's currently applicable rate.
- d) **Qualifying Facility:** Means a Member(s)'s equipment beyond the meter that meets the criteria for service under the Net Metering Policies.
- 4) **Measurement of Net Energy:** A meter or meters shall be installed to measure the flow of energy in each direction, at the expense of Member(s). The Member(s) shall be responsible for all other expenses involved in purchasing and installing facilities necessary for the meter installation.
- 5) **Price and Payment:** At the end of each monthly billing period, if the energy supplied by Member(s) to BEC is less than the energy supplied by BEC, Member(s) shall be billed using the applicable standard residential service rate schedule for the net energy amount. If the energy supplied by Member(s) to BEC is greater than the energy supplied by BEC, Member(s) shall be billed for the appropriate monthly facility charge and shall be credited (at the current residential kwh retailrate) for the net energy with the kilowatt-hour credit appearing on the bill for the following month. At the end of the calendar year, (January 1 through December 31) any unused kilowatt hour credit accumulated during the previous 12 months shall be sold to the Cooperative at the current avoided cost for the applicable rate schedule.
- 6) **Interconnection:** Member(s) shall provide, "at their sole expense", the interconnection on Member's side of the meter. At Member(s)'s expense, BEC shall make reasonable modifications to BEC's system necessary to accommodate Member(s)'s Facilities. The cost for such modifications is \$ \_\_\_\_\_ due in advance of construction. The net metering system used by BEC shall include, at Member(s)'s own expense, all equipment necessary to meet applicable safety, power quality and interconnection requirements established by BEC's electric service requirements, the National Electric Code, National Electrical Safety Code, the Institute of Electrical and Electronics Engineers and Underwriters Laboratories.
- BEC's written approval of Member(s)'s protection-isolation method to ensure generator disconnection in case of a power interruption from BEC is required before service is provided under this schedule.
- 7) **Disconnect Switch:** Member(s) shall furnish and install on Member's side of the meter a safety disconnect switch that shall be capable of fully disconnecting the Member(s)'s energy generating equipment from BEC's electric system. The disconnect switch shall be located adjacent to the meter and shall be of the visible break type in a metal enclosure which can be secured with a padlock. The disconnect switch shall be accessible to BEC personnel at all times. BEC shall have the right to disconnect the Facility from BEC's supply at the disconnect switch at its sole discretion, when necessary to maintain safe electrical operating conditions or, if in BEC's sole judgment, the Facility at any time adversely affects BEC's operation of its electrical system or the quality of BEC's service to other Members.
- 8) **Functional Standards:** Member(s) shall furnish, install, operate and maintain in good order and repair, all without cost to BEC, all equipment required for the safe operation of the Facility in parallel with BEC's system. This equipment shall include, but not be limited to equipment

necessary to establish automatically and maintain synchronism with BEC's electric supply and a load break switching device that shall automatically disconnect the unit from BEC's supply in the event of overload or outage of BEC's supply. The facility shall be designed to operate within allowable voltage variations of BEC's system. The Facility shall not cause any adverse effects upon the quality of service to BEC's non-generating customers.

- 9) **Installation and Maintenance:** Excepting only metering equipment owned by BEC, all equipment on Member's side of the point of delivery, including any required disconnect switch and synchronizing equipment, shall be provided, installed and maintained in satisfactory operating condition by Member(s), and shall remain the property and responsibility of the Member(s). BEC shall bear no liability for Member(s)'s equipment or for consequences of its operation or failure to operate properly. For purposes of gathering research data, BEC may at its expense install and operate additional metering and data- gathering devices.
- 10) **Pre-operation Inspection:** Prior to interconnection, the Facility and associated interconnection equipment shall be inspected and approved by the state electrical inspector and any other governmental authority having jurisdiction.
- 11) **Access:** Authorized BEC employees shall have the right to enter upon the Member(s)'s property for the purpose of operating the disconnect switch and meters and making additional tests concerning the operation and accuracy of its meters.
- 12) **Indemnity:** Member(s) agrees to indemnify and hold BEC harmless from any and all liability for any and all damages, including attorneys' fees and costs, the Member(s) causes as a result of his operation of the Facility.
- 13) **Enforcement upon default by Member(s):** BEC shall have the right to specifically enforce the terms of this agreement and collect its reasonable attorney's fees and costs associated thereto.
- 14) **Merger:** This contract contains the entire agreement between the Member(s) and BEC and may not be changed except by writing signed by all parties.

In witness whereof, Beartooth Electric Cooperative, Inc. and Member(s) have, by their duly authorized representatives, executed this agreement in duplicate as of the day and year first above written.

**Member(s):**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Beartooth Electric Cooperative, Inc.:**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_