

 Oakdale Electric Cooperative		Board Policy
Policy Name: Interconnection with Qualifying Facilities		Policy No: 6.13
Last Reviewed/Revised: 03-03-2025		Page 1 of 7

1. Effective in

All territories served by the Cooperative.

2. Objective

Oakdale Electric Cooperative (“Cooperative”) adopts this policy pursuant to the requirements and objectives of the “Public Utility Regulatory Policies Act of 1978,” as amended, and all regulations promulgated by the Federal Energy Regulatory Commission (“FERC”) thereunder (“PURPA”). The Cooperative asserts its willingness to:

- A. Interconnect with Qualifying Facilities.
- B. Operate in parallel with Qualifying Facilities.
- C. Purchase all energy generated and made available by Qualifying Facilities at the avoided cost rate, and, unless otherwise agreed to by the Cooperative, will also purchase such capacity as made available by Qualifying Facilities at the avoided cost rate, but only if the Cooperative actually requires additional capacity over its planning horizon.
- D. Provide retail electric service (station service) to all Qualifying Facilities who become members of the Cooperative.

3. Definitions

- A. A “Qualifying Facility” means either a cogeneration facility or a small power production facility that meets the requirements of Section 201 of PURPA, and which has received certification from Federal Energy Regulatory Commission (FERC) or which has completed the process established by the FERC for self-certification.
 - i. A qualifying small power production facility is a generating facility where the primary energy source of the facility must be biomass, waste, renewable resources, geothermal resources, or any combination, with 75 percent or more of the total energy input coming from these sources, whose power production capacity (together with the power production capacity of any other small power production facilities that use the same energy resource, are owned by the same person(s) or its affiliates, and are located on the same site) does not exceed 80 MW.
 - ii. A qualifying cogeneration facility is a facility utilizing equipment for the production of electric energy and forms of useful thermal energy, such as heat

or steam, that are used for industrial, commercial, heating or cooling purposes, through the sequential use of energy. A qualifying cogeneration

facility must meet the criteria specified in 18 C.F.R. § 292.205 and other applicable rules and regulations of the FERC and the Cooperative pursuant to PURPA.

- B. “Avoided Cost” means the incremental costs to the Cooperative of electric energy or capacity, or both, which, but for the purchase from the Qualifying Facility, the Cooperative would generate itself or purchase from another source. Since the Cooperative is an all-requirements wholesale energy customer of Dairyland Power Cooperative, “avoided cost” for the Cooperative is the avoided cost of Dairyland Power Cooperative.

4. Overview

- A. This policy applies to any Cooperative Member that owns or leases electric generation facilities operated by that Member that meet the definition of Qualifying Facilities under PURPA, along with any other applicable laws and regulations, to ensure safety, reliability, and consistent application of the requirements of PURPA.
- B. The Cooperative, in its sole discretion to be determined on a case-by-case basis, may permit other generation and/or battery storage facilities which do not meet the requirements of a Qualifying Facility to interconnect with the Cooperative distribution system pursuant to the terms of this policy.
- C. This policy prescribes a fair, reasonable and nondiscriminatory procedure through which a Qualifying Facility may interconnect with the Cooperative. The Cooperative may, but is not obligated to, permit interconnection under this policy for any DG facility that does not meet the requirements for a Qualifying Facility under PURPA.
- D. The guidelines and procedures established by this policy are supplemented and further defined by such procedures, rules, and specifications as may be set forth in the Cooperative’s Interconnection Application and Interconnection Agreement, as those may be amended by the Cooperative from time to time.
- E. Unless otherwise modified herein or in the Cooperative’s Interconnection Application and Interconnection Agreement, the Cooperative generally follows the technical standards of Ch. PSC 119, Wis. Adm. Code, "Rules for Interconnecting Distributed Generation Facilities" (the “Interconnection Rules”) as they relate to application, contracting for service, design requirements, equipment certification and testing. However, provisions in the Interconnection Rules related to the jurisdiction of the Public Service Commission (“PSC”), including but not limited to the right to appeal in Wis. Adm. Code PSC § 119.40, shall not apply and nothing in this policy or any other policies or procedures of the Cooperative shall be construed to confer PSC jurisdiction over the Cooperative or over any matters arising under this Policy.
- F. Sales to Member-Qualifying Facilities shall also be subject to the terms of rate schedules applicable to the class under which those Members receive electrical service from the Cooperative, as those may be amended by the Cooperative from time to time.
- G. Multiple projects for the same member may be considered as one project in

determining aggregate size and related policy and requirements.

- H. Unless otherwise specified herein, or in the applicable Interconnection Application or Interconnection Agreement, all interconnected generating systems are governed by the policies and procedures in place for the general membership as established by the Cooperative's Board of Directors, as the same may be amended from time to time.
- I. As a smaller distribution utility, the Cooperative's system was not designed with the capability to interconnect with and receive output from large distributed generation facilities, and costs to be charged to the Qualifying Facility for necessary upgrades to the Cooperative's system may not be cost-effective for the Qualifying Facility. Therefore, the Cooperative may recommend that a larger Qualifying Facility consider seeking interconnection with another electric utility which may require less costly upgrades to its system to interconnect with that Qualifying Facility. Notwithstanding the foregoing, the Cooperative will comply with its purchase obligations under PURPA, as applicable, if the Qualifying Facility seeks to interconnect with the Cooperative instead.
- J. All interconnections will require a certified inspection report to be sent to the Cooperative prior to interconnection appointments, anti-islanding testing, or interconnection.

5. Conditions:

- A. Any individual or entity wishing to interconnect with the Cooperative's electric system shall become a Member of the Cooperative in accordance with the Bylaws of the Cooperative and such other policies established by the Cooperative's Board of Directors.
- B. Any Member wishing to operate generating facilities in parallel with the Cooperative's system shall first complete an Interconnection Application and sign an Interconnection Agreement providing for adherence to the Cooperative's rules and regulations, as they may be modified by the Cooperative from time to time. Interconnection Applications made under this policy will require an Application Fee and Commissioning Fee, payable to Oakdale Electric Cooperative. Fees for projects larger than 15 MW will be determined on a case-by-case basis. Fees under this policy are as follows:

Category	Nameplate Capacity	Application Review Fee	Engineering Review Fee	Distribution System Study Fee	Commissioning Fee
2	Greater than 20 kW to 200 kW	\$300 + \$10/kW	Cost Based	Cost Based	\$250
3	Greater than 200 kW to 1 MW	\$2000 + \$2/kW	Cost Based	Cost Based	\$1000
4	Greater than 1 MW to 15 MW	\$4000 + \$0.50/kW	Cost Based	Cost Based	\$2500

- C. Prior to interconnection, the Member shall provide the Cooperative with sufficient information to permit the Cooperative to determine whether the proposed facility

meets the requirements for a Qualifying Facility under PURPA. For all Qualifying Facilities larger than 1 MW in size, this shall include furnishing the Cooperative with the Qualifying Facility's current Form 556 on file with the FERC.

- D. If the Cooperative concludes that the proposed facility does not meet the requirements of a Qualifying Facility under PURPA, or the requirements of this policy, the Interconnection Rules, the Interconnection Application, or the Interconnection Agreement, the Cooperative may deny the Member/Applicant's request for interconnection and shall provide the Member/Applicant with a written explanation of the reasons for its position.
- E. If the Cooperative concludes that the Member fails to conform to this Policy, including operating generating facilities in a manner that is non-qualifying under PURPA, the Cooperative will no longer be obligated to purchase any energy or capacity made available by the Qualifying Facility and may require the Member to disconnect the generating facility from the Cooperative's system. If the member fails to immediately comply with a disconnect notice received from the Cooperative, the Cooperative reserves the right to make such disconnection and to discontinue electric service to the Member as the Cooperative may deem necessary.

6. Requirements:

- A. Prior to the interconnection of a Qualifying Facility, and as part of the Cooperative's standard application process, each Member/Applicant shall submit plans to the Cooperative for review to assure compliance with all applicable policies, rules, laws, regulations, and other requirements for interconnection. The Cooperative's review of a request for interconnection shall not be construed as permission to interconnect with the Cooperative's system. Authorization to interconnect must be in writing and shall only be granted by the Cooperative after the Member/Applicant demonstrates compliance with the requirements of this policy to the Cooperative's satisfaction. This authorization shall not relieve the Member/Applicant from responsibility for installing, operating and maintaining facilities in a satisfactory, safe, and legally-compliant manner.
- B. The Cooperative may determine from the Members/Applicant's application and other information provided that, prior to interconnection with the Qualifying Facility, an engineering and/or distribution system study is necessary to determine the requirements and specifications for interconnection and the extent of any distribution system modifications necessary to permit such interconnection. The Qualifying Facility shall be responsible for paying the fees for engineering and distribution system study reviews. A good faith estimate will be provided to the Member/Applicant prior to any studies taking place. The Cooperative may require that such fees be paid before the reviews will be conducted.
- C. The Member shall furnish, install and maintain all additional wiring and equipment required for the installation of the Qualifying Facility on the Member's side of the interconnection and the appropriate Cooperative-approved service metering equipment, except such meter and any current transformers and potential transformers as may be furnished and installed by the Cooperative at the expense of the member, to be determined by the Cooperative as part of its review of the

Interconnection Application.

- D. Prior to interconnection, the Member shall provide written certification that the facility is compliant with the latest edition of the National Electrical Code (NEC), the National Electrical Safety Code (NESC), all State and local ordinances and all building codes. Interconnections will require a wiring affidavit, available from the Cooperative, to be signed by a Wisconsin licensed Master Electrician and submitted in a form acceptable to the Cooperative.
- E. The Member shall reimburse the Cooperative for its incremental costs resulting from interconnecting with the Qualifying Facility. The incremental interconnection costs shall include all reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, inspection, and administrative costs incurred by the Cooperative directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operations with the Qualifying Facility, to the extent such costs exceed the corresponding costs which the Cooperative would have incurred had it not interconnected.
- F. The Cooperative may charge the Member for the Cooperative's actual costs, for both labor and equipment, of any distribution system upgrades required to interconnect with and receive output from the Member's Qualifying Facility. After receiving the Member's Interconnection Application and such other information that the Cooperative may require to evaluate the Member's application, the Cooperative will determine whether any distribution system upgrades are required to interconnect with and receive output from the Member. The Cooperative will provide the Member with a written statement of any distribution system upgrades that are required and the costs thereof and may require the Member to make payment before the Cooperative will make such upgrades to its distribution system.
- G. Employees and authorized representatives of the Cooperative have the right to enter upon Member's property at any reasonable time to ensure the generating facility's continued compliance with applicable policies, rules, laws and regulations and the accuracy of its meters. Such inspection by the Cooperative shall not relieve the Member from the responsibility of installing, operating, and maintaining the facilities in a satisfactory and safe manner.
- H. In order to provide adequate safety to the Cooperative's employees when performing operation and maintenance on the Cooperative's system, it is essential that a means be available to positively disconnect the Member's generating facility from the Cooperative's system such that there is no possibility that the facility could back feed through the service transformer and energize the primary system. Consequently, the Member shall furnish and install a Cooperative-approved disconnect switch which shall be located between the DG facility's automatic disconnect device and the Cooperative's system. The location of the switch shall be approved by the Cooperative, and the switch shall be housed in an approved enclosure that can be secured with a padlock or locking device.
- I. The Cooperative reserves the right to open the disconnect switch (i.e., isolating the DG facility) without prior notice to the Member for any of the following reasons with written notification of disconnection as soon thereafter as practical:
 - i. System emergency operations require such action.

- ii. A potentially hazardous condition relating to the facility is discovered.
 - iii. The operation of the DG facility interferes with the quality of service provided to other Members or the operation of the Cooperative's system.
- J. Operation of the Qualifying Facility must not cause any reduction in the quality of service provided to other consumers nor interfere with the operation of the Cooperative's system. The Member shall be responsible for taking whatever corrective action may be required and for reimbursing the Cooperative for the cost of corrective action which the Cooperative deems necessary to correct such negative effects on quality of service or operation of the Cooperative's system.
- K. The Member shall provide an automatic disconnecting device and/or method to disconnect the Qualifying Facility from the Cooperative's system in the event that there are outages or faults on the Cooperative's distribution system or within the Qualifying Facility. The Cooperative reserves the right to inspect or perform tests on the disconnecting means to assure proper operation. Such inspection by the Cooperative shall not relieve the Member from the responsibility of installing, operating, and maintaining the facilities in a satisfactory, safe, and legally-compliant manner.
- L. The Cooperative will not assume any responsibility for the safety or electrical protection of the Member's facilities. The Cooperative shall not be liable to the Member for any damage to the Member's facility, including damage caused by disconnection of the Member's facility from the Cooperative's system by automatic devices or pursuant to the Cooperative's policies and procedures.
- M. The Cooperative generally expects that the rated nameplate capacity of the Qualifying Facility (to be connected in parallel with a low voltage service) should be no greater than 20 kilowatts (kW) for single phase installations, unless authorized in writing by the Cooperative. Unless an exception is authorized in writing by the Cooperative, the Cooperative generally expects that Qualifying Facilities with a rated nameplate capacity exceeding 20 kW will require three-phase installations. Notwithstanding these general expectations, the Cooperative shall determine case-by-case the exact electrical requirements, including whether a single phase or three phase installation is required, on the basis of the interconnection application and any engineering or system studies that may be conducted for a particular Qualifying Facility.
- N. The electrical characteristics of the Qualifying Facility shall conform to the standards established by the Cooperative. The standards may include voltage, current, frequency, harmonics, and automatic synchronization, etc. Wherever possible the Cooperative will base its standards on industry-wide standards.
- O. The Member shall operate the Qualifying Facility as near unity power factor as possible. The Cooperative reserves the right to require the Member to install power factor correction equipment or reimburse the Cooperative for its cost of installing power factor correction equipment. The Member shall be responsible for any penalties, surcharges, and reactive demand charges as set forth in the Cooperative's rate schedule applicable to the class under which the Member receives electrical service.

7. Rates:

- A. The Cooperative will purchase from Qualifying Facilities energy and such capacity as the Cooperative actually requires over its planning horizon at the Cooperative's avoided

cost rate. As an all-requirements wholesale customer of Dairyland Power Cooperative, the Cooperative's avoided cost is the Dairyland avoided cost.

- B. For all Qualifying Facilities with a rated nameplate capacity of 100 kW or less, the Cooperative will make available to requesting Members/Applicants the Cooperative's standard avoided cost rates for purchases of energy and capacity, to be revised from time to time as determined by the Cooperative's Board of Directors. Unless otherwise determined by the Cooperative's Board of Directors, standard rates for purchases shall not exceed the Cooperative's avoided costs.
- C. For Qualifying Facilities with rated nameplate capacity greater than 100 kW, the rates paid by the Cooperative for capacity and energy delivered to it from the Qualifying Facility may be negotiated by the Member and Cooperative, but Cooperative is not obligated to pay a rate that exceeds its avoided cost.
- D. The Member may choose to receive an avoided cost rate that is determined as of the date that the Qualifying Facility delivers energy to the Cooperative or to have a contract with the Cooperative that fixes the avoided cost rate for the specified term of the contract. The length and other terms of such contract will be negotiated on a case-by-case basis.
- E. The Cooperative will sell to the Member whatever energy and capacity is requested including backup, supplemental, maintenance and interruptible power. All energy and capacity supplied to the Member by the Cooperative shall be paid for by the Member at the rates set forth in the Cooperative's standard retail rate schedule applicable to the class of service provided.
- F. The Cooperative will provide metering devices appropriate for the Member's facility at the Member's expense to accurately record purchases of energy and capacity commensurate with the agreement between the Member and the Cooperative.
- G. Meter(s) for facilities interconnected under this policy shall be read at the same time and in the same manner as for other Members of the Cooperative in the same consumer classification or as otherwise mutually agreed between the Cooperative and Member. Metering records shall be available for inspection at all reasonable times.
- H. The Cooperative may credit payment for purchases against the Member's current bill for electric service or any past due amount owed the Cooperative by the Member.

8. Indemnification and Insurance:

The Interconnection Agreement will require the Member's agreement to protect, indemnify, and hold harmless the Cooperative and its officers, agents and employees from any and all claims, demands, suits, liability and expense (including attorney's fees) brought by third parties and arising from the installation, operation, modification, maintenance, or removal of any facility interconnecting with the Cooperative under this Policy.

The Member shall procure and maintain general liability insurance on a per occurrence basis and in the amount(s) specified in Ch. PSC 119, Wis. Adm. Code. Additionally, for Qualifying Facilities greater than 20kW, contractual liability insurance is required and the Cooperative shall be named as an additional insured under the policy. The Member shall annually provide the Cooperative with proof of insurance and shall notify the Cooperative within 30 days of any termination or modification of the insurance coverage.

9. Disclaimer:

Information contained in this policy is subject to update or modification by the Cooperative at any time and at the sole discretion of the Cooperative. Such information includes (but is not limited to) policies, procedures, rates, tariffs, and applications. Some information may change as a result of external factors such as new legislation or regulations. Prior to making use of the information contained herein, please check with appropriate Cooperative staff.

For the above reasons, the Cooperative requests that the recipient NOT reproduce or distribute this document, or rely solely on its contents to make any business or personal decisions regarding renewable energy resources.

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