

**PEOPLE'S ENERGY COOPERATIVE**

Minnesota 59 Olmsted  
Oronoco, Minnesota

**Schedule: Cogeneration & Small Power Production**

**Effective:** This rate shall become effective with May 2022 energy use.

**Availability:** Available to all Legacy and SMEC members (“consumers”) where the member has qualified small power production or cogeneration facilities connected in parallel with the Cooperative’s facilities. A Qualifying Facility (QF) is a cogeneration and small power production facility that satisfies the conditions in 18 Code of Federal Regulations, Section 292.101(b).

**Type of Service:** Single or three-phase, 60 Hz, at available secondary voltages.

**Rate:** The cooperative shall pay or credit the member monthly for all energy furnished during the month at the appropriate rate shown below in Sections 1-4. All applicable rates will be adjusted by the Power Cost Adjustment (PCA) when applicable. The rate selected shall be at the member’s option and shall conform to the capacity rules established by the Minnesota Public Utility Commission. In addition, the Distribution Grid Access fee will be applied for each rate as applicable.

**Distribution Grid Access Fee:** A distribution grid access fee shall be applied, as allowed by Minnesota Statute 216B.164, to all qualified small power or cogeneration facilities, on the Net Energy Billing rate, interconnected on or after May 1, 2016. The fee will be applied per kW of the Generator Nameplate, excluding the first 3.5kW, and not to exceed the Maximum Monthly Fee. Beginning May 1, 2023, the distribution grid access fee will be applied to all qualified small cogeneration facilities interconnected on or before May 1, 2016. If a system that is installed before May 1, 2016 adds additional capacity, the additional capacity will be subject to the fee.

The distribution grid access fee will be applied monthly as follows:

<u>Rate</u> <u>Schedule</u>	<u>Type of Service</u>	<u>Per kW Fee in</u> <u>Excess of 3.5kW</u>	<u>Max. Monthly Fee</u> <u>Not to Exceed*</u>
PG-1 & 901R	Residential	\$2.69 per kW	\$22.00
PG-1B & 901F	Small General Service	\$1.30 per kW	\$31.00
PG-1C & 901	Medium General w/Demand	\$1.52 per kW	\$55.00

\*Where the Cost of Service Study determined value is greater than is possible to charge a system under 40kW the maximum possible charge is shown.

1. **Net Energy Billing:** Available to any QF of less than 40 kW capacity, connected in parallel with the Cooperative’s facilities, that does not select either the Roll Over Credits, Simultaneous Purchase and Sale Billing, or Time of Day rates.

The Cooperative shall bill the QF for the excess of energy supplied by the Cooperative above energy supplied by the QF according to the Cooperative’s applicable retail rate schedule. The Cooperative shall pay the member for the energy generated by the QF that exceeds that supplied by the Cooperative at the Average Retail Cooperative Energy Rate (ARCER) per kWh as follows:

<u>Rate</u> <u>Schedule</u>	<u>Type of Service</u>	<u>Rate</u>
<b>PG-1 &amp; 901R</b>	Residential Service	\$0.11223 per kWh
<b>PG-1B &amp; 901F</b>	Small General Service	\$0.09964 per kWh
<b>PG-1C &amp; 901</b>	Medium General Service w/ Demand	\$0.06347 per kWh

2. **Roll Over Credits:** Available to any QF of less than 40 kW, connected in parallel with the Cooperative’s facilities, that does not select either Net Energy Billing, Simultaneous Purchase and Sale Billing, or Time of Day rates.

KWh's produced by the QF in excess of the monthly usage shall be supplied as an energy credit on the member's energy bill, carried forward and applied to subsequent energy bills, with an annual true-up on December 31. Excess energy credits existing as of December 31 shall default back to the Cooperative with no compensation to the QF.

3. **Simultaneous Purchase and Sale Billing:** Available to a QF of less than 40 kW capacity, connected in parallel with the Cooperative's facilities, that do not select or qualify for either the Net Energy Billing, Roll Over Credits, or Time of Day rates and does not receive a time of day retail electric service from the Cooperative.

Cooperative shall pay the member for all energy delivered during the month at the appropriate rate schedule shown below from which energy purchases are first avoided.

<u>Rate Schedule</u>	<u>Rate</u>
<b>PG-1X</b>	\$0.04249 per kWh

4. **Time-of-Day Purchase Rate:** Available to any QF of 100 kW capacity or less and available to QFs with capacity of more than 100 kW if firm power is provided. Required for qualified facilities with capacity equal to or greater than 40 kW and less than or equal to 100 kW.

Cooperative shall pay the member for all energy delivered per the current rate schedule for Time-of-Day Purchase rate per kWh for the Cooperative's power supplier from which energy purchases are first avoided.

<u>Rate Schedule</u>	<u>Rate</u>
<b>PG-1TOD</b>	
	Energy furnished on-peak* \$0.04692 per kWh
	Energy furnished off-peak \$0.03363 per kWh

\* Summer on-peak period is June through August, 11:00 AM to 7:00 PM, Monday through Friday except on Independence Day. Winter on-peak period is December through February, 4:00 PM to 10:00 PM, Monday through Friday, except Christmas Day and New Year's Day. The off-peak period is all other times.

**Taxes:** Taxes are applied as applicable, and the amount of any change in existing or new taxes allocated to sales hereunder shall be added to the rates as appropriate to be paid by the member.

**Terms and Conditions of Service:**

- This rate and all Cooperative rates are subject to change from time-to-time by action taken by the Cooperative's Board of Directors. This action can include changes to applicable charges and credits (energy purchases and other) that are identified as part of the rate currently in effect, or added in the future, and are allowable under Minnesota State Statute Section §216B.164.
- Service hereunder is subject to the provisions of the Cooperative Electric Service Standards and policies of the Cooperative.
- The Cooperative shall not be liable for any damage or loss sustained by member resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
- Execution of a Uniform Contract (Interconnection Agreement) between the Cooperative and the member is required.