




People's Energy Cooperative

Your Touchstone Energy® Cooperative 

March 12, 2021

To: Board of Directors People's Energy Cooperative

From: Gary Fitterer
People's Energy Cooperative
1775 Lake Shady Avenue South
Oronoco, MN 55960
gfitterer@peoplesrec.com

SUBJECT: Cogeneration and Small Power Production Tariff Report (Public)

Per Minnesota State Statutes and Cogeneration and Small Power Production rules adopted by the People's Energy Cooperative (PEC) Board of Directors, I am submitting the annual Cogeneration and Small Power Production Tariff Report. A public version of the report will be placed for viewing on the Cooperative's website after it has been reviewed and accepted by the Board of Directors.

Sincerely,

People's Energy Cooperative



Gary Fitterer
Director of Engineering
(507) 367-7000
gfitterer@peoplesrec.com

Attachment
cc Mike Henke

**Cogeneration and Small Power Production
Schedule 1
PEOPLE'S ENERGY COOPERATIVE**

Calculation of the Average Retail Cooperative Energy Rate (ARCER)

Service Class: Residential Service (PG-1)
Consumers on Rates A, H, AU, 160, 167, 168, 169, 170, 310, 350, TOU, Y

Total Class Revenue	\$ 31,751,049
Fixed Charges	\$ 7,408,586
Demand Charges	\$ 2,446
kWh Sales	209,415,197

$$\text{ARCER} = \frac{\text{TOTAL CLASS REVENUES} - \text{FIXED \& DEMAND CHARGES}}{\text{kWh SALES}}$$

Average Retail Cooperative Rate = \$ 0.11623 per kWh

Service Class: Small General Service (PG-1B)
Consumers on Rates B, B1, I, 260, 267, 268, 269

Total Class Revenue	\$ 2,956,719
Fixed Charges	\$ 772,901
Demand Charges	\$ 0
kWh Sales	20,720,870

$$\text{ARCER} = \frac{\text{TOTAL CLASS REVENUES} - \text{FIXED \& DEMAND CHARGES}}{\text{kWh SALES}}$$

Average Retail Cooperative Rate = \$ 0.10539 per kWh

Service Class: Medium General Service (PG-1C)
Consumers on Rates C, C1, 290, 297, 298, 299, 360, 367, 368, 369, 540, CSR, PA

Total Class Revenue	\$ 11,781,510
Fixed Charges	\$ 615,078
Demand Charges	\$ 4,119,185
kWh Sales	111,258,941

$$\text{ARCER} = \frac{\text{TOTAL CLASS REVENUES} - \text{FIXED \& DEMAND CHARGES}}{\text{kWh SALES}}$$

Average Retail Cooperative Rate = \$ 0.06334 per kWh

PEOPLE'S ENERGY COOPERATIVE
 Minnesota 59 Olmsted
 Oronoco, Minnesota

Schedule: Cogeneration & Small Power Production

Effective: This rate shall become effective with May 2021 energy use.

Availability: Available to all 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:

Rate Schedule	Type of Service	Per kW Fee in Excess of 3.5kW	Maximum Monthly Fee Not to Exceed*
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.

- 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 during each billing period 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 during a billing period at the Average Retail Cooperative Energy Rate (ARCER) per kWh as follows:

Rate Schedule	Type of Service	Rate
PG-1 & 901R	Residential Service	\$0.11623 per kWh
PG-1B & 901F	Small General Service	\$0.10534 per kWh
PG-1C & 901	Medium General Service w/ Demand	\$0.06334 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>
PG-1X	\$0.02140 per kWh
Capacity Payment for Firm Power per kWh	\$0.00000 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>
PG-1TOD	
Energy furnished on-peak*	Avoided cost (\$/kWh) of on-peak energy as determined by wholesale power provider
Energy furnished off-peak	Avoided cost (\$/kWh) of off-peak energy as determined by wholesale power provider
Capacity Payment for Firm Power	\$0.00000 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.

PEOPLE'S ENERGY COOPERATIVE
Minnesota 59 Olmsted
Oronoco, Minnesota

Rider for Distributed Generation: Effective May 2021 (Schedule A):

APPLICATION

The Rider for Distributed Generation is applicable to any consumer taking service under one of the Cooperative's standard electric rate schedules and who has entered into an Electric Service Agreement with the Cooperative for the interconnection and operation of an on-site extended parallel distributed generation system as follows:

1. The distributed generation system must be an operable, permanently installed or mobile generation facility connected in parallel to the utility distribution system serving the consumer receiving retail electric service at the same site.
2. The distributed generation system must be fueled by either natural gas, a renewable fuel, or another similarly clean fuel or combination of fuels.
3. The distributed generation system cannot have more than 10 MW of interconnected capacity at a point of common coupling to Cooperative's distribution system.
4. The interconnection and operation of the distributed generation system at each point of common coupling shall be considered as a separate application of the Rider.
5. All provisions of the applicable standard service schedule shall apply to distributed generation service under this Rider except as noted below.

In lieu of service under this Rider, consumer and Cooperative may pursue reasonable transactions outside the Rider; or consumer may take service, as applicable, under Cooperative's Rider for Parallel Generation as established under Minnesota Statute 216B.164 and the Cooperative's Policy 208 – Cogeneration and Small Power Production Facilities Rules. Service hereunder is subject to Cooperative's Interconnection Process Distributed Generations which is based on the Minnesota Public Utility Commission approved interconnection process for Distributed Energy Resources, and Distribution Interconnection Requirements. This information is available via People's Energy Cooperative website at www.peoplesenergy.coop or by calling the Distributed Energy Resources hotline at 1-800-972-5325. All provision of the applicable standard service schedule shall apply to distributed generations service under this Rider except as noted below.

DEFINITIONS

Consumer is an entity receiving retail electric service from Cooperative at the same site as the distributed generation system.

Extended Parallel means the distributed generation system is designed to remain connected with the Cooperative's distribution system for an extended period of time.

Scheduled Maintenance service is energy, or energy and capacity, supplied by the Cooperative during scheduled maintenance of the consumer's non-utility source of electric energy supply (distributed generation system).

Unscheduled Outage service is energy, or energy and capacity, supplied by the Cooperative during unscheduled outages of the consumer's non-utility source of electric energy supply (distributed generation system).

All other definitions shall be as described in Cooperative's *Distributed Generation Interconnection Requirements* and *Interconnection Process for Distributed Generation Systems*.

CHARGES FOR SERVICE

Services provided under this Rider may include services from the Cooperative to consumer and from consumer to Cooperative. The following rates, charges, credits and payments are applicable for such services in addition to all applicable charges for service being taken under Cooperative's standard rate schedule:

SERVICES FROM COOPERATIVE TO CONSUMER

A monthly service charge, equal to the service charge contained in the base tariff to which this Rider is attached, will be applied to this Rider to recover costs of administering this Rider.

Interconnection Services

Interconnection services include services such as engineering/design studies, Cooperative system upgrades and testing as further described in Cooperative's *Distributed Generation Interconnection Requirements* and *Interconnection Process for Distributed Generation Systems*. Charges for such interconnection services shall be as described in the Cooperative's *Distributed Generation Interconnection Requirements* and *Interconnection Process for Distributed Generation Systems*.

Supply Services

Supply services include standby services such as scheduled maintenance, unscheduled outages and supplemental service as provided under Cooperative's *Rider for Standby Service*.

Transmission Services

Transmission services include reservation and delivery of capacity and energy on either a firm or non-firm basis and those ancillary services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation over Transmission Providers' Transmission System. These ancillary services include services such as Scheduling, System Control and Dispatch Service, Reactive Supply and Voltage Control from Generation Sources, Regulation and Frequency Response, Generator Imbalance, Operating Reserve – Spinning Reserve and Operating Reserve – Supplemental Reserve. Transmission Services are provided as applicable under Cooperative's wholesale power supplier's approved Open Access Transmission Tariff (OATT) and the Cooperatives Transmission Wheeling Rate.

Distribution Services

Distribution services include reservation and delivery of capacity and energy and those indirect services that are necessary to support the delivery of capacity and energy over Cooperative's distribution system. These indirect services include allocated support services or expenses such as operation and maintenance, consumer accounts, consumer service and information, administrative and general, depreciation, interest and taxes. Consumers requiring contracted distribution standby service of more than 60 kW and/or delivery of energy and capacity over Cooperative's distribution system to a third party will be charged for such distribution services at a rate equal to the distribution charge specified in the Cooperative's *Rider for Standby Service*.

SERVICES FROM CONSUMER TO COOPERATIVE

Capacity/Energy

Consumer may sell all of the energy produced by the distributed generation system to the Cooperative, use all the distributed generation energy to meet its own electrical requirements, or use a portion of the energy from the distributed generation system to meet its own electrical needs and sell the remaining energy to the Cooperative.

If the consumer offers to sell energy to the Cooperative, the energy and capacity will be purchased by the Cooperative's wholesale power supplier under the rates, terms and conditions for such purchases as established by the wholesale power supplier, and subsequently negotiated power purchase agreement (PPA).

Distribution Credits

A distribution credit may be given if the distributed generation system allows the Cooperative to defer or avoid distribution system upgrades. Distribution credits to the consumer should equal the Cooperative's avoided distribution costs resulting from the installation and operation of the distributed generation system. The Cooperative shall provide, upon consumer's written request, areas of the distribution system that could be likely candidates for distribution credits as determined through the Cooperative's normal planning process. The Cooperative shall also provide to the consumer the minimum size distributed generation system required in each of the areas to qualify for the distribution credit along with general operational requirements necessary for the distributed generation system to meet, so as to be able to receive distribution credits.

Upon receiving an interconnection application from the consumer for a distributed generation interconnection, along with a written request for distribution credits, the Cooperative will complete an initial screening study to

determine if the project has the potential to receive distribution credits. The consumer shall be responsible for the cost of the screening study. If the Cooperative's study shows that there exists potential for distribution credit, the Cooperative shall, at its own expense, pursue further study to determine the distribution credit, as part of its annual distribution planning study. If the study cannot be incorporated as part of the Cooperative's annual distribution planning study, the study shall be pursued with consumer's approval at consumer's expense. If distribution credits are identified, the credits will be paid in conjunction with an agreement with the consumer to supply distribution support utilizing the consumer's generation system.

Renewable Credits

If consumer installs a renewable distributed generation system and the Cooperative's wholesale power supplier's purchase of energy and capacity from such facility allows the wholesale power supplier to avoid the need to purchase renewable energy elsewhere, the purchase of such renewable energy and capacity will reflect the avoided cost of renewable purchases as provided under the wholesale power supplier's applicable rates, terms and conditions for such purchases.

Tradable Emissions Credits

If the purchase of energy and capacity by the Cooperative's wholesale power supplier under the "must buy" provision described above results in the wholesale power supplier receiving an economic value associated with tradable emissions, the trade-able emissions credits will be provided to consumer under terms established by the wholesale power supplier that reflects the economic value of such emission credits received by the wholesale power supplier.

TERMS AND CONDITIONS OF SERVICE

The following terms and conditions apply to this Rider:

1. The service hereunder is subject to Cooperative's *Interconnection Process for Distributed Generation Systems* and *Distributed Generation Interconnection Requirements* as may be modified from time-to-time.
2. The Cooperative will install all metering equipment necessary to monitor services provided, to ensure adequate measurements are obtained to support necessary application of rates, charges, credits and payments. Consumer will be charged an up-front lump sum for the installed cost of such metering equipment and expected future operation and maintenance expenses for this metering equipment.
3. The consumer will be compensated monthly for all energy delivered to Cooperative's wholesale power supplier. The timing for these payments is subject to annual review.
4. The consumer shall make provision for on-site metering. All energy received from and delivered to the Cooperative shall be separately metered. The Cooperative may require metering of the generation output.
5. The consumer shall pay for all interconnection costs incurred by the Cooperative made necessary by the installation of the distributed generation system.
6. Power and energy purchased by the consumer from the Cooperative shall be under the applicable retail rates for the purchase of electricity.
7. The Cooperative reserves the right to disconnect the consumer's generator from its system if it interferes with the operation of the Cooperative's equipment or with the equipment of other Cooperative consumers.
8. The consumer shall execute an Electric Service Agreement with the Cooperative which may include, among other provisions, a minimum term of service.

BILLING AND TERMS OF PAYMENT

Billing and terms of payment shall be governed as set forth in the Cooperative's applicable base rate schedule.

To the extent that the Cooperative receives service from the consumer under this Rider, payment for such services shall be netted against any charges for Cooperative-supplied services hereunder.

PEOPLE'S ENERGY COOPERATIVE

Minnesota 59 Olmsted
Oronoco, Minnesota

Rider for Standby Service: Effective May 2021 (Schedule B)

APPLICATION

The Rider for Standby Service is required under the following provisions for any consumer needing scheduled maintenance service or unscheduled outage service who is receiving electric service under one of the Cooperative's firm retail electric rate schedules and who has entered into a contract with the Cooperative for the interconnection and operation of an on-site extended parallel distributed generation system:

1. Contracts will be made for this service provided the Cooperative has sufficient capacity available in production, transmission and distribution facilities to provide such service at the location where the service is requested.
2. Power production equipment (distributed generation system) at the consumer's site shall not operate in parallel with the Cooperative's system until the installation has been inspected by an authorized Cooperative representative and final written approval is received from the Cooperative to commence parallel operation.
3. The minimum term of service taken under this Rider shall be one (1) year or such longer period as may be required under an Electric Service Agreement. Following this initial one-year period, a consumer receiving standby service may terminate standby service and establish service under a firm service tariff schedule within the same timeframe as would be required of a new consumer with a similar firm service load. Such timeframe may be dependent on the Cooperative's ability to adjust its generation capability, including reserve margin, for the increased firm load due to consumer's selection of firm service from the Cooperative.
4. Energy provided to the consumer under this Rider is limited to energy used during a forced outage or planned maintenance of the consumer's distributed generation system.

Exceptions to this Application include:

- A. Any consumer taking service under the Cooperative's Rider for Parallel Generation as established under Minnesota Statute 216B.164 shall not be required to take service under this Rider for Standby Services required to temporarily back-up distributed generation systems rated at less than 40 kW;
- B. Any consumer taking service under Cooperative's Rider for Distributed Generation Service shall not be required to take service under this Rider for Standby Services required to temporarily back-up distributed generation systems rated at 60 kW or less. However, the Cooperative reserves the right to limit the number of Distributed Generation consumers receiving such an exception based on financial considerations; or
- C. Any consumer, in lieu of service under this Rider, may provide physical assurance to ensure that standby service is not taken. A consumer requesting physical assurance shall agree to furnish and install an approved load limiting device which shall be set and sealed by the Cooperative so that the consumer's use of service will not exceed consumer's contracted demand. The installed cost of the load-limiting device shall be paid by consumer.

DEFINITIONS

Contracted Standby Demand is the quantity specified in consumer's Electric Service Agreement as the maximum amount of firm or non-firm standby service the Cooperative is obligated to supply.

Extended Parallel means the distributed generation system is designed to remain connected with the Cooperative's distribution system for an extended period of time.

Firm Service refers to a utility's most reliable, constant electric service. A utility would interrupt the supply of electricity to a firm service consumer only as a last resort.

Non-Firm Service refers to electric service that a utility provides only to the extent that it has capacity not being used to meet the needs of firm-service consumers at the moment.

Scheduled Maintenance service is energy, or energy and capacity, supplied by the Cooperative during scheduled maintenance of the consumer's non-utility source of electric energy supply (distributed generation system).

Unscheduled Outage service is energy, or energy and capacity, supplied by the Cooperative during unscheduled outages of the consumer's non-utility source of electric energy supply (distributed generation system).

All other definitions shall be as described in the Cooperative's *Distributed Generation Interconnection Requirements* and *Interconnection Process for Distributed Generation Systems*.

CHARGES FOR SERVICE

The following Reservation and Usage Fees are applicable in addition to all charges for service being taken under the Cooperative's base rate schedule.

Reservation Fees

Charges as specified below for the reservation of firm or non-firm generation, transmission and distribution service per month per kW will each be applied to the consumer's Contracted Standby Demand as specified in consumer's Electric Service Agreement with the Cooperative:

	Firm Service (\$ Per kW)	Non-Firm Service (\$ Per kW)
Generation	*	**
Transmission	*	**
Distribution	\$9.62	\$6.56

* Firm standby service generation and transmission Reservation Fees will be billed under the rates, terms and conditions of the Cooperative's wholesale power supplier.

** Non-firm standby service generation and transmission Reservation Fees will be billed under the rates, terms and conditions of the Cooperative's wholesale power supplier.

Usage Fees

Demand Charge:

If the consumer registers electrical usage from the Cooperative during a billing month, such usage may result in demand charges which may vary between the consumer contracting for Firm Standby Service or Non-Firm Standby Service.

If usage of a firm standby consumer results in wholesale capacity charges to the Cooperative, the metered demand of such usage will be charged at the demand rate as contained in the base tariff to which this Rider is attached *minus* the applicable Reservation Fees paid by the consumer during such billing month. The reduction in the base tariff billing demand will be provided up to the amount of Contracted Standby Demand. Any metered demand for the consumer's electrical usage from the Cooperative that exceeds the Contracted Standby Demand level will be billed at the full demand rate specified in the base tariff. In addition, the consumer's Contracted Standby Demand will be adjusted as specified in the Billing Demand clause of this Rider. If the consumer registers electrical usage from the Cooperative during a billing month that also coincides with the Cooperative's wholesale power supplier's applicable billing peak, the additional demand charges may be applied by the Cooperative to ensure that the consumer fully compensates the Cooperative for such wholesale power costs.

Power may not be available when needed for a non-firm standby consumer. If power is available and usage of a non-firm standby consumer results in wholesale capacity charges to the Cooperative, the metered demand of such usage will be charged at no less than the demand rate as contained in the base tariff to which this Rider is attached *minus* the applicable Reservation Fees paid by the consumer during such billing month. Any higher demand charges for non-firm demand use will reflect higher wholesale demand costs incurred to provide

such service. The reduction in the base tariff billing demand will be provided up to the amount of the Contracted Standby Demand. Any metered demand for the consumer's electrical usage from the Cooperative, that exceeds the Contracted Standby Demand level, will be billed at the full demand rate specified in the base tariff. In addition, the consumer's Contracted Standby Demand will be adjusted as specified in the Billing Demand clause of this Rider. If the consumer registers electrical usage from the Cooperative during a billing month that also coincides with the Cooperative's wholesale power supplier's applicable billing peak, the additional demand charges may be applied by the Cooperative to ensure that the consumer fully compensates the Cooperative for such wholesale power costs.

Energy Charge:

Energy actually used by a firm standby consumer under this Rider will be charged at the same energy rate as contained in the base tariff to which this Rider is attached.

If energy is available for a non-firm standby consumer, the energy actually used under this Rider will be charged at no less than the energy rate contained in the base tariff to which this Rider is attached. Any higher energy charges for non-firm energy use will reflect higher wholesale energy costs incurred to provide such energy.

Rate Adjustments:

Bills shall be subject to all adjustments applicable to the base schedule to which this Rider is attached.

BILLING DEMAND

The consumer shall contract for a specific kiloWatt demand of standby service sufficient to meet the consumer's requirements when the distributed generation system is not being operated. In the event the Contracted Standby Demand is exceeded in any month by a higher billing demand, such higher demand shall be considered as the new billing demand for the month. The billing demand for Reservation Fees thereafter shall not be less than the newly established billing demand for the remainder of the contract. Such adjustment of billing demand applicable to Reservation Fees will recognize circumstances where on-going firm service is being provided in addition to standby service.

STRANDED INVESTMENT

Any consumer who installs load-limiting equipment to ensure that standby service is not taken (physical assurance) and does not intend to deliver power into the distribution system will have the option of making a lump sum payment to the Cooperative for stranded distribution investment. If such lump sum payment is not made, the consumer will be subject to distribution standby charges based on the consumer's typical demands incurred prior to requesting physical assurance status.

BILLING AND TERMS OF PAYMENT

Billing and terms of payment shall be governed as set forth in the Cooperative's applicable base rate schedule.

TERMS AND CONDITIONS OF SERVICE

1. Standby Service Rider is applicable to any non-residential consumer who requires 100kW or more of standby capacity from the Cooperative. Standby Service may not be used by a consumer to serve controllable demand that is subject to interruption as determined by the Cooperative under Cooperative's Interruptible Rate Schedules 540 or PA. A consumer taking service under Cooperative's Rider for Standby Service and requiring 100 kW or less of standby capacity from the Cooperative is exempted from paying any standby charges. Standby service will be available to these consumers through its base tariff rates.
2. The consumer shall execute an Electric Service Agreement with the Cooperative which shall specify:
 - a. Standard rate schedule (to which this Rider is attached);
 - b. Contracted Standby Demand;
 - c. Generator Nameplate Rating; and
 - d. Type of Standby Service (firm or non-firm).
3. Service hereunder is subject to the Cooperative's *Interconnection Process for Distributed Generation Systems* and *Distributed Generation Interconnection Requirements* as may be modified from time-to-time.

4. The Cooperative will install all metering equipment necessary to monitor services provided to ensure adequate measurements are obtained to support necessary application of charges. The consumer will be charged an up-front lump sum fee for the installed cost of such metering equipment and expected future operation and maintenance expenses for this metering equipment.
5. The consumer shall make provision for on-site metering. All energy received from and delivered to the Cooperative shall be separately metered. The Cooperative may require metering of the generation output.
6. The consumer shall pay for all interconnection costs incurred by the Cooperative made necessary by the installation of the distributed generation system.
7. The Cooperative reserves the right to disconnect the consumer's generator from its system if it interferes with the operation of the Cooperative's equipment or with the equipment of other Cooperative consumers.
8. The Cooperative shall not be obligated to supply standby service for a consumer's load in excess of the capacity for which the consumer has contracted.
9. The consumer shall be liable for all damages or costs caused by the consumer's use of power in excess of contracted for capacity.
10. The Cooperative may require the consumer to furnish and install an approved load limiting device which shall be set and sealed by the Cooperative so that the consumer's use of service will not exceed the number of kiloWatts contracted for by the consumer.
11. The consumer shall annually furnish documentation to the Cooperative confirming the maximum capacity and reliability of the power source for which the consumer requires Standby Service.
12. The Cooperative and the consumer will coordinate the planning and determining of a schedule for performance of periodic maintenance of the consumer's facilities, such maintenance shall be scheduled to avoid wholesale power billing costs or as agreed upon in the contract. The Cooperative will require the consumer to provide reasonable notice of its proposed schedule for maintenance. The duration of the agreed maintenance schedule may thereafter be extended only with the consent of the Cooperative in response to the consumer's request received prior to the end of the maintenance period.
13. The Cooperative reserves the right to establish a minimum charge in order to recover the costs of facilities required to serve such load. Said charge shall be specified in the Electric Service Agreement.
14. The Cooperative may be reimbursed by the consumer for costs which are incurred, or which have been previously incurred, in providing facilities which are used principally or exclusively in supplying service for any portion of the consumer's requirements which are to be normally supplied from a source of power other than the Cooperative's electric system.
15. All electricity delivered shall be for the exclusive use of the consumer and shall not be resold.
16. The consumer shall indemnify the Cooperative against all liability which may result from any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the installation, maintenance, presence, or operation of the co-generation facility or by any related act or omission of the consumer, its employees, agents, contractors or subcontractors.

**Cogeneration and Small Power Production
Schedule 2
PEOPLE'S ENERGY COOPERATIVE**

Cogeneration and Small Power Production Standard Contract



PEOPLE'S ENERGY COOPERATIVE
Uniform Contract
For Cogeneration and Small Power Production Facilities

THIS CONTRACT is entered into _____, 20____, by _____
_____(hereafter called "Cooperative") and _____
(hereafter called "QF").

RECITALS

The QF has installed electric generating facilities, consisting of _____
_____ (Description of facilities), rated at ___ kilowatts AC of
electricity, on property located at _____
_____.

The QF is prepared to generate electricity in parallel with the Cooperative.

The QF's electric generating facilities meet the requirements of the rules adopted by the Cooperative on Cogeneration and Small Power Production and any technical standards for interconnection the Cooperative has established that are authorized by those rules.

The Cooperative is obligated under federal and Minnesota law to interconnect with the QF and to purchase electricity offered for sale by the QF.

A contract between the QF and the Cooperative is required.

AGREEMENTS

The QF and the Cooperative agree:

1. The Cooperative will sell electricity to the QF under the rate schedule in force for the class of customer to which the QF belongs.
2. The Cooperative will buy electricity from the QF under the appropriate rate schedule approved by the Cooperative. The QF elects the rate schedule category hereinafter indicated:

Applicable only to QF less than 40 kW.

- ____ a. Average retail cooperative energy rate.
- ____ b. Simultaneous purchase and sale billing rate.

- _____ c. Roll-over credits.
- _____ d. Time-of-day purchase rates

Applicable only to QF between 40 kW and 100 kW

- _____ a Time-of-day purchase rates.

A copy of the presently approved rate schedule is attached to this contract.

3. The rates for sales and purchases of electricity may change over the time this contract is in force, due to actions of the Cooperative, and the QF and the Cooperative agree that sales and purchases will be made under the rates in effect each month during the time this contract is in force.
4. The Cooperative will compute the charges and payments for purchases and sales for each billing period. Any net credit to the QF, other than kilowatt-hour credits under clause 2(c), will be made under one of the following options as chosen by the QF.

- _____ a. Credit to the QF's account with the Cooperative.
- _____ b. Paid by check or electronic payment service to the QF within 15 days of the billing date.

5. Renewable energy credits associated with generation from the facility are owned by:

_____.

6. The QF must operate its electric generating facilities within any rules, regulations, and policies adopted by the Cooperative.
7. The Cooperative's rules, regulations, and policies must conform to Minnesota Statue 216B.164 regarding Cogeneration and Small Power Production.
8. The QF will operate its electric generating facilities so that they conform to the national, state, and local electric and safety codes, and will be responsible for the costs of conformance.
9. The QF is responsible for the actual, reasonable costs of interconnection which are estimated to be \$ _____. The QF will pay the Cooperative in this way:

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10. The QF will give the Cooperative reasonable access to its property and electric generating facilities if the configuration of those facilities does not permit disconnection or testing from the Cooperative's side of the interconnection. If the Cooperative enters the QF's property, the Cooperative will remain responsible for its personnel.
 11. The Cooperative may stop providing electricity to the QF during a system emergency. The Cooperative will not discriminate against the QF when it stops providing electricity or when it resumes providing electricity.
 12. The Cooperative may stop purchasing electricity from the QF when necessary for the Cooperative to construct, install, maintain, repair, replace, remove, investigate, or inspect any equipment or facilities within its electric system. The Cooperative may stop purchasing electricity from the QF in the event the generating facilities listed in this contract are documented to be causing power quality, safety, or reliability issues to the Cooperative's electric distribution system. The Cooperative will notify the QF before it stops purchasing electricity in this way:

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13. The QF will keep in force general liability insurance, from a qualified insurance agency with a B+ or better rating by "Best", against personal or property damage due to the installation, interconnection, and operation of its electric generating facilities. The amount of insurance coverage will be \$_____.
 14. The QF and Cooperative agrees to attempt to resolve all disputes arising hereunder promptly, equitably and a good faith manner.
 15. In the event a dispute arises under this contract, refer to dispute resolution process in Cooperative Rules Implementing Minnesota Statute §216B.164.
 16. This contract becomes effective as soon as it is signed by the QF and the Cooperative. This contract will remain in force until either the QF or the Cooperative gives written notice to the other that the contract is canceled. This contract will be canceled 30 days after notice is given. If the listed electric generating facilities are not interconnected to the Cooperative's distribution system within twelve (12) months of the contract being signed by the QF and the Cooperative, the contract

terminates. The QF and the Cooperative may delay termination by mutual agreement.

17. Termination of this contract is allowed (i) by the QF at any time without restriction; (ii) by Mutual Agreement between the Cooperative and the QF; (iii) upon abandonment or removal of electric generating facilities by the QF; (iv) by the electric generating facilities failing to operate for/during any twelve (12) consecutive month period; (v) by the Cooperative if the QF fails to comply with applicable interconnection design requirements or fails to remedy a violation of the interconnection process; (vi) in the event of an emergency on the Cooperative's distribution system; (vii) or breach of this contract by QF unless otherwise cured upon written notice of the Cooperative.
18. This contract can only be amended or modified by mutual agreement in writing signed by the QF and the Cooperative.
19. The QF must notify the Cooperative prior to any change in the electric generating facilities' capacity size or generating technology according to the interconnection process adopted by the Cooperative.
20. In the event this contract is terminated, the Cooperative shall have the right to disconnect its facilities or direct the QF to disconnect its generating facilities.
21. This contract shall continue in effect after termination to the extent necessary to allow either the Cooperative or the QF to fulfill rights or obligations that arose under the contract.
22. Transfer of ownership of the generating facilities shall require the new owners and the Cooperative to execute a new contract. Upon the execution of a new contract with the new owners this contract shall be terminated.
23. Neither the QF or the Cooperative will be considered in default as to any obligation if the QF or the Cooperative is prevented from fulfilling the obligation due to an act of God, labor disturbance, act of public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, an order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or other cause beyond the QF's or Cooperative's control. However, the QF or Cooperative whose performance under this contract is hindered by such an event shall make all reasonable efforts to perform its obligations.

24. The QF and the Cooperative shall at all times indemnify, defend, and save each other harmless from any and all damages, losses, claims, including claims and actions relating to injury or death of any person or damage to property, costs and expenses, reasonable attorneys' fees and court costs, arising out of or resulting from the QF's or the Cooperative's performance of its obligations under this contract, except to the extent that such damages, losses or claims were caused by the negligence or intentional acts of the QF or the Cooperative.
25. The QF's and the Cooperative's liability to each other for failure to perform its obligations under this contract shall be limited to the amount of direct damage actually occurred. In no event, shall the QF or the Cooperative be liable to each other for any punitive, incidental, indirect, special, or consequential damages of any kind whatsoever, including for loss of business opportunity or profits, regardless of whether such damages were foreseen.
26. The Cooperative does not give any warranty, expressed or implied, to the adequacy, safety, or other characteristics of the QF's interconnected system.
27. The Cooperative and the QF will each be responsible for its own acts or omissions and the results thereof to the extent authorized by law and shall not be responsible for the acts or omission of any others and the results thereof.

THE QF AND THE COOPERATIVE HAVE READ THIS CONTRACT AND AGREE TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY HAVE EACH SIGNED THIS CONTRACT BELOW ON THE DATE LISTED BY SIGNER.

QF

By: _____
 Member: _____
 Date: _____

Cooperative

By: _____
 President/CEO _____
 Date: _____

Cogeneration and Small Power Production
Schedule 2
PEOPLE'S ENERGY COOPERTIVE

People's Energy Cooperative (PEC) plans to modify the following on their current net metering rate schedule. The calculation is based on the MREA Grid Access Charge Worksheet version 2.0 and latest COSS. This level of the worksheet was modified to comply with the MNPUC order and inputs to the worksheet are from People's Energy Cooperative's 2017 Cost of Service Study (COSS), which is its most recent COSS.

D. Distributed Generation (DG) Grid Access Charge

1. For all distributed generation systems interconnected after May 1, 2016, the cooperative will bill the customer a Distributed Generation (DG) Grid Access Charge. The DG Grid Access Charge will be based on the cooperative's fixed costs not already paid for by the customer. The cooperative will use its most recent Cost of Service Study to develop the DG Grid Access Charge on an annual basis.

2. The Distributed Generation (DG) Grid Access Fee is applied based on the class of service received by the member at the service which the DG system is interconnected.

2.1 For DG interconnect to a member receiving residential service the grid access fee is \$2.69/KW of nameplate capacity of the DG system above the first 3.5KW of nameplate capacity. The DG Grid Access Fee will not exceed the cooperative's fixed costs to serve the customer based on the Cooperative's 2017 cost of service study and there will be a cap of \$22.00/month for each DG system.

**For example a 10KW DG system would be billed a monthly DG Grid Access Fee of \$17.40/month. 10KW nameplate capacity system – first 3.5KW of nameplate capacity=6.5KW

2.2 For DG interconnect to a member receiving general service the grid access fee is \$1.30/KW of nameplate capacity of the DG system above the first 3.5KW of nameplate capacity. The DG Grid Access Fee will not exceed the cooperative's fixed costs to serve the customer based on the Cooperative's 2017 cost of service study and there will be a cap of \$31.00/month for each DG system.

**For example a 10KW DG system would be billed a monthly DG Grid Access Fee of \$9.40/month. 10KW nameplate capacity system – first 3.5KW of nameplate capacity=6.5KW

2.3 For DG interconnect to a member receiving general service with demand, the grid access fee is \$1.52/KW of nameplate capacity of the DG system above the first 3.5KW of nameplate capacity. The DG Grid Access Fee will not exceed the cooperative's fixed costs to serve the customer based on the Cooperative's 2017 cost of service study. and there will be a cap of \$55.00/month for each DG system.

**For example a 10KW DG system would be billed a monthly DG Grid Access Fee of \$9.80/month. 10KW nameplate capacity system – first 3.5KW of nameplate capacity=6.5KW

3. The cooperative is given the authority to recover the costs of service through MN State Statute 216B.164, Subd. 3: Purchases; small facilities.

4. People's Energy Cooperative will use multiple methods to notify the Cooperative members and the general public of the DG Grid Access Fee change prior to May 1, 2021. Included in this amended filing are a press release on the DG Grid Access Fee, a posting on the Cooperative Website, a bill insert, a Cooperative Newsletter article and letters to known pending interconnection (members and installers).

Cogeneration and Small Power Production
Schedule 3
PEOPLE'S ENERGY COOPERTIVE

All interconnection of a Qualifying Facility (QF) to the Cooperative's Electrical Grid will follow the Cooperative Minnesota Distribution Energy Resources Interconnection Process, (C-MIP). Further all interconnections will follow the technical standards as set forth in IEEE-1547.

For safety of the Qualifying Facility (QF), the general public, and its field personnel People's Energy Cooperative requires a Qualifying Facility (QF) to meet the standards of the National Electric Code, National Electric Safety Code, and other applicable state and local codes, as well as the interconnection standards of the Cooperative.

**Cogeneration and Small Power Production
Schedule 4
PEOPLE'S ENERGY COOPERTIVE**

Calculation of Simultaneous Purchase and Sales

(Contains Information Considered Trade Secret)

**Cogeneration and Small Power Production
Schedule 4
PEOPLE'S ENERGY COOPERTIVE**

Calculation of Time of Use Rates

(Contains Information Considered Trade Secret)