

Notice of Distribution Generation Grid Access Fee

People's Energy Cooperative is implementing a Distribution Generation Grid Access Fee on **new or expanded** distributed generation systems (wind, solar, etc.) interconnected to the Cooperative's electric system beginning May 1, 2016. Systems interconnected with PEC prior to May 1, 2016, are not affected unless capacity is added. The additional capacity will be subject to the fee.

The access fee will be applied monthly at \$2.00 per kW for each kW the facility's nameplate is above 3.5 kW to a maximum of \$37.00 per month. For example, a 5 kW system would be charged for only 1.5 kW, which equates to \$3.00 per month. The Cooperative will review the fee annually and provide notice of any changes.



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Why a Distribution Generation Grid Access Fee?

As of July 1, 2015, Minnesota Statute 261B.164 authorizes electric cooperatives and municipal utilities to charge a cost recovery fee on distributed generation facilities. This enables cooperatives to recover some of the cost shift that has been occurring between distributed generators and the rest of cooperative membership.

Because distributed generators offset some or all of their energy usage, they no longer pay their fair share to maintain the electric distribution grid that had been recovered in the energy rate. There are also additional equipment and administrative costs to the Cooperative when a distributed generation system is interconnected to the Cooperative's electrical system.

This fee is not intended to discourage development of distributed generation within the PEC service territory. It is simply to recover costs for the system, done in a fair and equitable manner.

For further information regarding distributed generation interconnection, contact the Cooperative at (800) 214-2694.



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