I. OBJECTIVE

As a non-profit electric cooperative, VEA encourages private investment in renewable energy and the diversification of energy resources in its service territory. In concert with VEA’s Corporate Policy #136 (Net Metering), VEA may consider specific contractual arrangements with members that wish to develop small generation resources within VEA’s service territory. The objective of this Policy is to balance that initiative and allow members to develop distributed generation resources, but to also ensure that the operation of any DG facility does not unreasonably shift energy and delivery costs to other VEA members.

II. EFFECTIVE DATE

This Policy shall apply to all members commencing on the effective date of this Policy.

III. DEFINITIONS

Throughout this Policy, capitalized terms have the following meanings:

A. “Avoided Cost” means the Board-approved methodology to determine the incremental costs to VEA of electric energy which, but for the purchase from the DG, VEA would generate itself or purchase from another comparable source.

B. “Excess Energy Credit” is equal to the Avoided Cost that VEA would have paid, or would have been charged to dispose of in the case of negative pricing, for a kilowatt-hour of electricity supplied at the time the customer-generator fed the kilowatt-hour of excess electricity back to VEA. Each Excess Energy Credit is net of the Renewable Attributes conveyed to VEA by the Member in accordance with Section V.F below.

C. “DG” means a distributed generation resource that uses Renewable Energy as its source of energy, sized between 25 kW and 100 kW and located on a Member’s premises and behind the Member’s meter, which is operated in parallel with VEA’s distribution system.

D. “DG Member” means a member of VEA, as more particularly described in VEA’s bylaws, that operates a DG facility.
E. “Bi-directional meter” means the device that measures the difference between the electricity supplied by VEA and the electricity generated by a DG Member which is fed back to VEA in a billing period.

F. “Production-meter” means the device that measures the total energy generated by the Member-generator.

G. “Renewable Energy” has the meaning ascribed to it in NRS 704.7811.

IV. PURPA

The terms of this policy do not apply to qualified facilities (QFs) under the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 46 § 2601 et. seq.).

V. POLICY

This Corporate Policy 138 is an enabling policy. This policy does not obligate VEA to enter into any specific contractual arrangement with a DG Member. It only guides the terms and processes by which VEA may consider such contractual arrangement with any DG Member. Therefore, in accordance with the foregoing, VEA may allow a DG Member to interconnect DG, but only if the DG Member satisfies all of the conditions and requirements set forth in Sections A-D below, and in accordance with the remainder of the policy provisions below:

A. Application and Interconnection

1. Before operating or interconnecting a DG facility, the DG Member must submit an application and satisfy all of the requirements of VEA’s Interconnection Agreement for DG, which may be subject to change from time to time, but may not be inconsistent with this Policy. VEA may require a reasonable application fee to cover the costs associated with the engineering and review of the DG facility.

2. The DG Member intending to operate a DG facility shall pay any and all interconnection costs, distribution system upgrade costs, or other utility charges associated with interconnecting the DG facility to VEA’s distribution system. Such costs and fees are designed to ensure that VEA’s other members are not responsible for costs associated with connecting a DG facility.

B. DG Facility Sizing and Limitations

1. The rated capacity of the DG facility cannot exceed the DG Member’s service entrance capacity.
2. All DG facilities must be tested, proven technologies that meet the requirements of IEEE Standard 1547, the NEC, and UL 1741 as applicable and other industry standards, as determined by VEA, and must comply with all local building and fire codes.

3. A DG Member may not interconnect a DG facility until they have received final inspection and approval from any authority having jurisdiction over the DG facility.

C. Metering

1. A DG facility shall be equipped with bi-directional meter equipment that can measure the flow of electricity in both directions at the same rate. The DG Member is responsible for the installation cost of the required meter.

2. VEA shall provide a Production-meter to be installed for each DG facility. VEA shall install the Production-meter at the time of installing the DG facility. The DG Member will be responsible for ensuring that the DG Member’s meter panel meets VEA’s standards. The DG Member is responsible for the installation cost of the required Production-meter.

D. DG Contract.

1. Following approval of a DG Member’s application, VEA shall prepare a DG contract that describes the terms and conditions for interconnection and operation of the DG facility, which shall be consistent with this policy. The Member may not operate or interconnect a DG facility until the DG contract is executed and approved by both the DG Member and VEA’s CEO.

E. Credit for Excess-Electricity

1. VEA shall provide one Excess Energy Credit to a DG Member for each kilowatt-hour (kWh) of excess electricity that is generated and delivered to VEA while the DG Member is operating a DG facility.

F. Compensation for Excess-Electricity Credits

1. VEA shall compensate a DG Member monthly for the total amount of Excess Energy Credits provided to the DG Member in a given month. VEA and the DG Member may elect to net or offset this compensation with any other service obligations that the DG Member may be receiving from VEA (e.g. electric or broadband service costs, fees, or other amounts owed by the DG Member).
2. The DG Member is responsible for any taxes, fees, duties, or other governmental obligations associated with the compensation provided by VEA. The DG Member shall complete any W-9s or other tax forms required by applicable law and delivered by VEA.

G. Renewable Attributes

1. In exchange for VEA allowing a DG Member to interconnect and operate a DG facility, each DG Member shall convey to VEA any portfolio energy credits (PECs) or other renewable energy benefits attributable to the Excess Energy Credits, and VEA is free to apply to the state regulatory commission or its authorized designee for issuance of PECs or solar renewable-energy credits (S-RECs) as appropriate, and then market, sell or convey the same to any third party at VEA’s sole and absolute discretion.

H. Curtailment

1. VEA may require that the DG Member disconnect and curtail the output of the DG facility for purposes of safety, reliability, good utility practice, in accordance with balancing authority directives, or periodically during times of seasonal overgeneration periods. VEA will strive to provide as much notice possible to the DG Member of any upcoming curtailment.

2. The DG Member consents to VEA either manually or electronically disconnecting any interconnection facilities or switchgear associated with the DG facility to accomplish a required curtailment.

I. General Provisions

1. VEA shall have the right to inspect a DG facility during reasonable hours and with reasonable prior notice to the DG Member. If VEA finds that the DG facility is not in compliance with this Policy, Nevada state law, local code or permit requirements, or the requirements of IEEE Standard 1547, the NEC, and UL1741 using the version used at the time of installation as applicable, VEA may require the disconnection of the DG facility until compliance is achieved.

2. The DG Member shall assume all liability for and shall indemnify VEA for any claims, demands, liabilities, causes of action, suits, judgments, losses, costs, and expenses of any kind or character with respect to the DG facility, including, without limitation, in connection with the design, construction, or operation of the DG facility, or in connection with VEA’s distribution system, irrespective of and even though such claim, demand, liability, cause of action, suit, judgment, loss, cost or expense is based upon, or alleged to be based upon, the negligence of VEA or its agents.
3. The DG Member, or its contractor, shall not energize a DG system without complying with all aspects of this policy and the DG Contract. If a DG Member or its contractor energizes a DG system in violation of this policy or the DG Contract, VEA will immediately lock-out the DG system until the DG Member has achieved full compliance with this policy and the DG Contract. VEA may impose penalties or damages upon any contractor that violates this policy in accordance with applicable law.

J. References

- IEEE 1547 Standard for Interconnection Distributed Resources with Electric Power Systems
- UL 1741 Inverters, Converters, Controllers, and Interconnection System Equipment for Use with Distributed Energy Resources
- National Electrical Code (NFPA 70) latest available version

VI. RESPONSIBILITY

The Chief Executive Officer shall be responsible for the administration of this Policy.