



## Legislation Text

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File #: 2020-344, Version: 1

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### **Resolution - Approval to Amend Tariff and Business Rules - Interconnected Generation - N Mack | D Thompson**

**Submitted By: Robyn Miller on behalf of Markets**

**Department: Markets**

**Financial Impact and Cost/Benefit Considerations:** Expenditure of Cooperative funds is not anticipated to be impacted; expenditures of staff time is not anticipated to be impacted. Recommended fee and rate changes are to address the under-collection from current Members during the distributed generation interconnection process as to fees, as well as the actual interconnection rates charged each month.

The Cooperative's Tariff and Business Rules currently defines "Distributed Generation (DG)" as an electrical generating facility located at a Member's service location, which may be connected in parallel to the Cooperative's delivery system. In addition the Tariff and Business Rules refers to "Interconnection" as the physical connection of a DG facility to the utility system in accordance with the requirements of the Interconnection Policy of the Cooperative.

In April 2016 and March 2017, the PEC Board approved interconnection rates (currently found in Sections 500.1.9, 500.1.10, 500.3.1 and 500.3.2 of the Tariff and Business Rules) for distributed generation systems at 50kW AC and under and systems greater than 50 kW AC.

The Cooperative pursuant to its Rate Policy conducted its 2020 Cost of Service Study determined that the Cooperative is under-collecting from current Members on the interconnection rates, mainly from the rate component of these interconnection rates that is allocated to maintain the Cooperative's distribution/delivery system. Additionally, the 2020 Cost of Service Study noted that fees for interconnection (Section 500.4) need to recover all costs associated with the process to interconnect a Member's distributed generation.

Additionally, the Interconnection Policy (currently Section 600 of the Tariff and Business Rules), as well as the Application and Agreement (currently included in Section 700.7 and Section 700.8 of the Tariff and Business Rules), were revised and updated to include additional needed information regarding the DG facility and clarified language to align with proposed process changes.

Tariff amendments and effective dates shown below -

- New definitions, Section 100 - Effective on Board Approval
- Clarification to Line Extension, Section 400.14 - Effective on Board Approval
- Interconnect Policy, Section 600 - Effective on Board Approval
- Interconnect Agreement, Section 700.7 - Effective on Board Approval
- Interconnect Agreement, Section 700.8 - Effective on Board Approval
- Rates (charges, rate schedules, and fees), Section 500 - Effective January 1, 2022
  - Language will be placed in a blue box with effective date shown in Tariff

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approves the amendments to the Tariff and Business Rules as attached hereto with such changes, if any, as were approved by the Board, to become effective upon Board approval, unless otherwise specified in the Tariff and Business Rules; and

**BE IT FURTHER RESOLVED** that the Chief Executive Officer, or designee, is authorized to take all such actions as needed to implement this resolution.