

NOTICE OF
PROPOSED NEW RULE

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

Agency Information

1. Agency: Public Service Commission - Administration
 Room no.:
 Building: HEBER M WELLS BLDG
 Street address 1: 160 E 300 S
 Street address 2:
 City, state, zip: SALT LAKE CITY UT 84111-2316
 Mailing address 1: PO BOX 45585
 Mailing address 2:
 City, state, zip: SALT LAKE CITY UT 84111-5585

Contact person(s):

Name:	Phone:	Fax:	E-mail:
Sandy Mooy	801-530-6708	801-530-6796	smooy@utah.gov

(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 32881 Date filed: 08/13/2009 11:06 AM
 State Admin Rule Filing Key: 148759
 Utah Admin. Code ref. (R no.): R 746 - 312 -

Title

2. Title:
 Electrical Interconnection

Notice Type

3. Type of notice: New Rule

Rule Purpose

4. Purpose of the rule or reason for the change :
 The rule implements standards for interconnection of electrical generating facilities to public utilities under the jurisdiction of the Public Service Commission. The rule specifies the application procedures, technical requirements, evaluations, inspections and maintenance requirements, fees and timelines which pertain to interconnection of facilities to public utilities.

Response Information

5. This change is a response to comments by the Administrative Rules Review Committee.
No

Rule Summary

6. Summary of the rule change:

The rule gives the terms and conditions by which a person would apply for and make a connection of electricity generating resources with the electric distribution system of a public utility electrical corporation. The rule also gives the terms and conditions by which the public utility electrical corporation would respond to these interconnection applications and installations. The rule has application, with differing provisions, based upon the size of the interconnecting generating resources, viz. 25 kilowatts or less, 2 megawatts or less, and 20 megawatts or less.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

None are anticipated relative to the day to day operations of a state agency. To the extent a state agency may desire to install an electrical generating facility and interconnect with a public utility, this rule clarifies costs and procedural requirements. It is not anticipated that this rule will alter or change costs associated with interconnection as it follows general practices currently followed for installation of equipment and procedures used by entities operating in this state, in neighboring states or follows federal agency terms applicable to interconnection of customer owned generating facilities with public utilities

B) Local government:

Affected: No

None are anticipated relative to the day to day operations of local governments. To the extent a local governmental entity may desire to install an electrical generating facility and interconnect with a public utility, this rule clarifies costs and procedural requirements. It is not anticipated that this rule will alter or change costs associated with interconnection as it follows general practices currently followed for installation of equipment and procedures used by entities operating in this state, in neighboring states or follows federal agency terms applicable to interconnection of customer owned generating facilities with public utilities

C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

None are anticipated relative to the day to day operations of small businesses. To the extent a local small business may desire to install an electrical generating facility and interconnect with a public utility, this rule clarifies costs and procedural requirements. It is not anticipated that this rule will alter or change costs associated with interconnection as it follows general practices currently followed for installation of equipment and procedures used by entities operating in this state, in neighboring states or follows federal agency terms applicable to interconnection of customer owned generating facilities with public utilities

D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

None are anticipated relative to the day to day operations of other entities. To the extent a customer may desire to install an electrical generating facility and interconnect with a public utility, this rule clarifies costs and procedural requirements. It is not anticipated that this rule will alter or change costs associated with interconnection as it follows general practices currently followed for installation of equipment and procedures used by entities operating in this state, in neighboring states or follows federal agency terms applicable to interconnection of customer owned generating facilities with public utilities

Compliance Cost Information

8. Compliance costs for affected persons:

See Number 7. This rule generally mirrors the interconnection requirements set by the U.S. Federal Energy Regulatory Commission for utilities under its jurisdiction and which are generally followed by investor-owned utilities. Reporting requirements are minor and records required are similar to those which would be captured by a prudent public utility or may be required for compliance with a renewable energy portfolio standard imposed by state law. Specific portions of the rule may be waived for good cause. Required studies reflect those already necessary to ensure a safe, reliable interconnection. It is anticipated that compliance costs are similar to costs already incurred to do the same functions and activities already done to interconnect the generating resources which are the subject of the proposed rule.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

Utah law encourages the development of alternative and independent electric generation resources. The proposed rule established greater uniformity in the process and the means through which electricity generating resources, not owned by a public utility, may be connected with a public utility's electricity distribution system. It follows existing practices of affected utilities, the requirements of federal regulatory interconnection terms, or processes and procedures reasonably expected for safe and efficient interconnection of the size of resources subject to the proposed rule. As it provides for greater consistency on the terms and conditions for interconnection, it is expected to reduce transactions costs associated with interconnecting these types of facilities and represents a reasonable balancing of the interests those individuals who wish to interconnect their facilities and public utilities with whom interconnection is sought.

B) Name and title of department head commenting on the fiscal impacts: Ted Boyer, Chariman

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) : 54-4-7,54-4-14, 54-12-2, 54-15-106

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

Official Title of Materials Incorporated (from title page):
Publisher:
Date Issued:
Issue, or version:
ISBN Number:
ISSN Number:
Cost of Incorporated Reference:
Adds, updates, removes:

Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

10/01/2009

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

C) Public hearing(s) added after the publication of the rule in the Bulletin:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy):

10/08/2009

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):

- interconnection
- generating equipment
- renewable energy facility
- public utility

File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and title:

Sandy Mooy

Date (mm/dd/yyyy): 08/13/2009

R746. Public Service Commission, Administration

R746-312. Electrical Interconnection.

Rule 746-312-1. Authority.

(1) This rule establishes procedures and standards for electrical interconnection of generating facilities to a public utility as provided for in Sections 54-3-2, 54-4-7, 54-4-14, 54-12-2, and 54-15-106.

Rule 746-312-2. Definitions.

(1) "Adverse system impact" means the negative effects due to technical or operational limits on conductors or equipment being exceeded which may compromise the safety and reliability of the electric distribution system.

(2) "Affected system" means an electric system other than a public utility's electric distribution system which may be affected by the proposed interconnection.

(3) "Building code official" means the city or local official whose responsibility includes inspecting facilities for compliance with the city or local jurisdiction electrical code requirements.

(4) "Business day" means Monday through Friday, excluding Federal holidays.

(5) "Confidential information" means any confidential and/or proprietary information provided by one party to the other party that is clearly marked or otherwise designated "Confidential." For the purposes of this rule, all design, operating specifications, and metering data provided by the interconnection customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such. Confidential information does not include information previously in the public domain, required to be publicly submitted or divulged by governmental authorities, or necessary to be divulged in an action to enforce these procedures.

(6) "Electric distribution system" means that portion of an electric system which delivers electricity from transformation points on the transmission system to the point or points of connection at a customer's premises.

(7) "Equipment package" means a group of components connecting a generating facility generator with an electric distribution system, and includes all interface equipment including switchgear, inverters, or other interface devices. An equipment package may include an integrated generator or electric production source. An equipment package does not include equipment provided by the utility.

(8) "Fault current" means electrical current that flows through a circuit and is produced by an electrical fault, such as to ground, double-phase to ground, three-phase to ground, phase-to-phase, and three-phase. A fault current is several times larger in magnitude than the current that normally flows through a circuit.

(9) "Facilities study" means a study conducted to determine the additional or upgraded distribution system facilities necessary to interconnect a generating facility with a public utility, the cost of those facilities, and the time schedule required to interconnect the generating facility to the public utility's distribution system.

(10) "Feasibility study" means a preliminary evaluation of the system impact and the cost of interconnecting a generating facility to the public utility's electric distribution system.

(11) "Generating facility" means the interconnection customer's device for the production of electricity identified in the interconnection request, but shall not include the interconnection customer's interconnection facilities.

(12) "Generation capacity" means the nameplate capacity of the power generating device(s) of a generating facility. Generation capacity does not include the effects caused by inefficiencies of power conversion or plant parasitic loads.

(13) "Good utility practice" means a practice, method, policy, or action engaged in or accepted by a significant portion of the electric industry in a region during the relevant time period, which a reasonable utility official would expect, in light of the facts reasonably discernable at the time, to accomplish the desired result reliably, safely and expeditiously. Good utility practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

(14) "Governing Authority" means

(a) For a distribution electrical cooperative, its board of directors; and

(b) for each other electrical corporation, the Public Service Commission, otherwise referred to as the commission.

(15) "IEEE standards" means the standards published in the 2003 edition of the Institute of Electrical and Electronics Engineers (IEEE) Standard 1547, entitled "Interconnecting Distributed Resources with Electric Power Systems," approved by the IEEE SA Standards Board on June 12, 2003, and in the 2005 edition of the IEEE Standard 1547.1, entitled "IEEE Standard Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems," approved by the IEEE SA Standards Board on June 9, 2005.

(16) "Interconnection agreement" means a standard form agreement between an interconnection customer and a public utility, which governs the connection of a generating facility to the electric distribution system, as well as the ongoing operation of the generating facility after it is connected to the system.

(17) "Interconnection customer" means any entity, including a public utility, which proposes to interconnect its generating facility with the public utility's distribution system.

(18) "Interconnection request" means the interconnection customer's request to interconnect a new generating facility, or to increase the capacity of, or make a material modification to the operating characteristics of an existing generating facility that is interconnected with the public utility. The interconnection request includes all required processing fees or deposits required by the public utility.

(19) "Inverter" means a machine, device or system which changes direct-current power to alternating-current power.

(20) "Level 1 Interconnection Review" means an interconnection review process applicable to an inverter-based facility having a generation capacity of 25 kilowatts or less.

(21) "Level 2 Interconnection Review" means an interconnection review process applicable to a facility having a generation capacity of 2 megawatts or less and which does not qualify for or fails to meet Level 1 interconnection review requirements.

(22) "Level 3 Interconnection Review" means an interconnection review process applicable to a facility having a generation capacity of 20 megawatts or less and which does not qualify for or fails to meet Level 1 or Level 2 interconnection review requirements.

(23) "Net metering facility" means a facility eligible for net metering, or an eligible facility as defined in Subsection 54-15-102(4).

(24) "Party or parties" means the public utility and/or the interconnection customer.

(25) "Point of common coupling" means the point at which the interconnection between the public utility's system and the interconnection customer's equipment interface occurs. Typically, this is the customer side of the public utility's meter.

(26) "Public utility" has the meaning set forth in Subsection 54-2-1(16) and is limited to a public utility that provides electric service.

(27) "Queue position" means the order of a valid interconnection request, relative to all other pending valid interconnection requests, which is established based upon the date and time of receipt of a completed interconnection request, including application fees, by the public utility.

(28) "Spot network" means a type of electric distribution system that uses two or more inter-tied transformers protected by network protectors to supply an electrical network circuit. A spot network is generally used to supply power to a single customer or a small group of customers.

(29) "Standard form" or "standard form agreement" means a form or agreement which follows that adopted or approved by the Federal Energy Regulatory Commission in its small generator interconnection proceedings and modified to be consistent with these rules unless the governing authority has approved an alternative form or agreement.
(30) "System Impact study" means an engineering analysis of the probable impact of a generating facility on the safety and reliability of the public utility's electric distribution system.

(31) "Telemetry" means the remote communication from a generator facility to a point on the public utility's communication network where the data can be assimilated into the public utility's grid operations if desired.

(32) "Upgrades" means the required additions and modifications to a public utility's distribution system beyond the point of interconnection. Upgrades do not include interconnection facilities.

(33) "Written notice" means a required notice sent by the utility via electronic mail if the interconnection customer has provided an electronic mail address. If the interconnection customer has not provided an electronic mail address, or has requested in writing to be notified by United States mail, or if the utility elects to provide notice by United States mail, then written notices from the utility shall be sent via First Class United States mail. The utility shall be deemed to have fulfilled its duty to respond under this rule on the day it sends the interconnection customer notice via electronic mail or deposits such notice in First Class mail. The interconnection customer shall be responsible for informing the utility of any changes to its notification address.

Rule 746-312-3. Purpose, Scope, Applicability and Exceptions.

(1) This rule establishes procedures for electrical interconnection of a generating facility to a public utility's distribution system with the following exceptions:

(a) All references to fees and charges in Section R746-313 do not apply to public utilities for which the Commission does not have ratemaking authority as identified in Subsection 54-7-12(6). Rates and charges will be determined by the public utility's governing authority in accordance with applicable law.

(b) Pursuant to Subsection 54-15-106(2), a public utility whose governing authority has, after appropriate notice and opportunity for public comment, adopted by rule additional reasonable safety requirements, power quality and interconnection requirements is exempt from the disconnect switch exemption in Subsection R746-312-4(2)(a)(i) provided the public utility files with the Commission the final rule and evidence of appropriate notice and opportunity for public comment.

(2) For good cause shown, the commission may waive or modify any provision of this electrical interconnection rule.

(3) A public utility and interconnection customer may mutually agree to reasonable extensions to the required times for notices and submissions of information set forth in this rule for the purpose of allowing efficient and complete review of an interconnection request. If a public utility unilaterally seeks waiver of the time lines set forth in this rule, the commission may consider the number of pending applications for interconnection review and the type of applications, including review level and facility size.

(4) A public utility shall provide to the interconnection customer information regarding options for complaint or dispute resolution during the interconnection request review process prior to or along with the results of the initial interconnection review.

(5) Complaints or disputes will be addressed as follows:

(a) residential interconnections will be addressed according to the provisions of Sections R746-200-4, R746-200-8 and R746-200-9.

(b) non-residential interconnections will be addressed according to the following procedure:

(i) In the event of a complaint or dispute, either party shall provide the other party with a written Notice of Dispute. Such notice shall describe in detail the nature of the dispute.

(ii) If the dispute has not been resolved within two business days after receipt of such notice, the dispute shall be served upon the other party and filed with the commission. A copy shall also be served upon the Division of Public Utilities.

(iii) An answer or other responsive pleading to the complaint shall be filed with the commission not more than ten business days after receipt of service of the complaint or dispute. Copies of the answer or responsive pleading shall be served on the complainant and the Division of Public Utilities.

(iv) A prehearing conference shall be held not later than 15 business days after the complaint is filed.

(v) The Commission shall commence a hearing on the complaint not later than 25 days after the complaint is filed, unless the commission finds that extraordinary conditions exist that warrant postponing the hearing date, in which case the commission shall commence the hearing as soon as practicable. Parties shall be entitled to present evidence as provided by the commission's rules.

(vi) The Commission shall take final action on a complaint not more than 30 business days after the complaint is filed unless:

(A) the commission finds that extraordinary conditions exist that warrant extending final action, in which case the commission shall take final action as soon as practicable; or

(B) the parties agree to an extension of final action by the commission.

Rule 746-312-4. Installation, Operation, Maintenance, Testing and Modification of Generating and Interconnection Facilities

(1) Except for generating facilities in operation or approved for operation prior to the effective date of this rule, an interconnection customer of a public utility must install, operate and maintain its generating and interconnection facilities in compliance with the IEEE standards, as applicable, and the requirements of the interconnection agreement or other agreements executed between the parties during the interconnection review and approval process. Generating facilities in operation or approved for operation prior to the effective date of this rule must be

operated and maintained in accordance with the requirements of all agreements in place prior to the effective date of this rule.

(2) Disconnect Switch. Except for the exemptions listed below, an interconnection customer of a public utility must install and maintain a manual disconnect switch which will disconnect the generating facility from the public utility's distribution system. The disconnect switch must be a lockable, load-break switch that plainly indicates whether it is in the open or closed position. The disconnect switch must be readily accessible to the public utility at all times and located within 10 feet of the public utility's meter.

(a) Exemptions:

(i) For customer generating systems of 10 kilowatts or less that are inverter-based, a public utility shall not require a disconnect switch.

(ii) The disconnect switch may be located more than 10 feet from the public utility meter if permanent instructions are posted in letters of appropriate size at the meter indicating the precise location of the disconnect switch. In this case the public utility must approve in writing the location of the disconnect switch prior to the installation of the generating facility. For those instances where the interconnection customer and the public utility cannot agree to the implementation of this section, the public utility or interconnection customer may refer the matter to the Commission according to the designated dispute resolution process.

(iii) Nothing in this exemption precludes an interconnection customer or a public utility from voluntarily installing a manual disconnect switch.

(3) In the event that no disconnect switch is installed, the interconnection customer's electric service may be disconnected by the public utility entirely if the generating facility must be physically disconnected from the public utility's distribution system as specified in Subsection R746-312-4(5).

(4) For those public utilities whose governing authority, pursuant to Section 54-15-106, after appropriate notice an opportunity for public comment, elects to adopt by rule additional reasonable interconnection safety, power quality and interconnection requirements for net metering generating facilities and who determines that a disconnect switch for net metering generating facilities less than 10 kilowatts is necessary, those public utilities must:

(a) address the usage of the disconnect switch in the public utility's operations training requirements and standard operating procedures, including, among other things, how the disconnect switches will be managed, including tracking of switches, the procedures under which the disconnect switch must be used during normal operations, construction projects, trouble situations, and during restoration of service activities, and training on operation and usage of the disconnect switch;

(b) file a copy of the disconnect switch procedures, and any updates, along with the governing authority's documentation of appropriate notice and opportunity for public comment with the commission; and

(c) document in writing each time the public utility has utilized each specific disconnect switch and the reason for its usage and make this information available to the commission upon request.

(5) The public utility may operate the manual disconnect switch or disconnect the customer generating facility pursuant to the conditions set forth below, thereby isolating the customer generating system, without prior notice to the customer. To the extent practicable, however, prior notice shall be given. If prior notice is not given, the utility shall at the time of disconnection leave a door hanger or other such notice notifying the customer that their customer

generating system has been disconnected, including an explanation of the condition necessitating such action. The public utility shall reconnect the customer generating system as soon as reasonably practicable after the condition necessitating disconnection is remedied.

(a) Any of the following conditions shall be cause for the public utility to manually disconnect a generating facility from its system:

(i) Emergencies or maintenance requirements on the public utility's distribution system;

(ii) Hazardous conditions existing on the public utility's distribution system which may affect safety of the general public or public utility employees due to the operation of the customer generating facility or protective equipment as determined by the public utility; or

(iii) Adverse electrical effects (Such as high or low voltage, unacceptable harmonic levels, or RFI interference) on the electrical equipment of the public utility's other electric consumers caused by the customer generating facility as determined by the public utility.

(6) Subsequent to becoming interconnected to a public utility the interconnection customer must notify the public utility of all proposed modifications to the generating facility or equipment package which will increase the generation capacity of a customer generation facility.

(a) Notification must be provided in the form of a new application submitted in accordance with the level of review required by this rule; and

(b) The application must specify the proposed modification(s).

(7) Aggregating Multiple Generators: If the interconnection request is for a generating facility which includes multiple generating facilities at a site for which the interconnection customer seeks a single point of interconnection, the interconnection request must be evaluated for the purposes of the interconnection on the basis of the aggregate electric nameplate capacity of the generating facilities.

Rule 746-312-5. Interconnection Facility Certification

(1) To qualify for the Level 1 and the Level 2 interconnection review procedures set forth below, a generating facility must be certified as complying with the following standards, as applicable:

(a) IEEE standards; and

(b) UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems (January 2001).

(2) An equipment package will be considered certified for interconnected operation if it has been submitted by a manufacturer to a nationally recognized testing and certification laboratory, and has been tested and listed by the laboratory for continuous interactive operation with an electric distribution system in compliance with relevant codes and standards.

(3) If the equipment package has been tested and listed in accordance with this section as an integrated package, which includes a generator or other electric source, the equipment package will be deemed certified, and the public utility may not require further design review, testing or additional equipment.

(4) If the equipment package includes only the interface components (switchgear, inverters, or other interface devices), an interconnection customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and consistent with the testing and listing specified for the package. If the generator or electric source being utilized with the equipment package is consistent with the testing and listing performed by the nationally recognized testing and certification laboratory, the equipment package will be deemed certified, and the public utility may not require further design review, testing or additional equipment.

Rule 746-312-6. General Interconnection Request Provisions

(1) Each public utility must designate an employee, office, or department from which a customer can obtain basic interconnection request standard forms, standard form agreements, and information through an informal process. Upon request, this employee, office, or department must provide all relevant forms, documents, and technical requirements for submittal of a complete application for interconnection review. Upon request, the public utility must meet with a customer who qualifies for Level 2 or Level 3 interconnection review, to assist them in preparation of the application. All standard forms and standard form agreements must be posted on the public utility's website.

(2) The interconnection customer must submit each interconnection request, and all associated forms and agreements on the public utility's standard forms and standard form agreements. The interconnection request may require the following types of information:

(a) the name of the applicant and basic customer information;

(b) the type, size and specifications of the generating facility;

(c) the level of interconnection review sought; e.g., Level 1, Level 2 or Level 3;

(d) the generating facility installer: i.e., for contractor installations, the name of the appropriately licensed contractor, or for self-installations, the name of the homeowner or business;

(e) equipment and/or system certifications;

(f) the anticipated date the generating facility will be operational;

(g) evidence of site control; and/or

(h) other information that the utility deems is necessary to conduct an evaluation as to whether a generating facility can be safely and reliably connected to the public utility in compliance with this interconnection rule.

(3) Each interconnect request submitted to a public utility must be accompanied by the required processing fee.

(4) An interconnection customer shall retain its original queue position for an interconnection request if the applicant resubmits its application at a higher level of review within 30 business days of a utility's denial of the application at a lower level of review.

(5) A public utility shall not be responsible for the cost of determining the rating of equipment owned or proposed by an interconnection customer or of equipment owned by other local customers.

(6) At the time of application, an interconnection customer may choose to simultaneously submit an executed original of the public utility's standard form interconnection agreement.

(7) Any modification to machine data or equipment configuration or to the interconnection site of the generating facility not agreed to in writing by the public utility and the interconnection customer may be deemed a withdrawal of the interconnection request and may require submission of a new interconnection request unless proper notification to each party by the other and a reasonable time to cure the problems created by the changes are undertaken.

(8) Each party receiving confidential information shall hold such information in confidence and shall not disclose it to any third party nor to the public without prior written authorization from the party providing that information, except to fulfill obligations under this rule, or to fulfill legal or regulatory requirements. Each party shall employ at least the same standard of care to protect confidential information obtained from the other party as it employs to protect its own confidential information.

Rule 746-312-7. Level 1 and Level 2 Interconnection Review Screens

(1) The public utility shall perform its review of Level 1 and Level 2 interconnection requests using the screens set forth below as applicable.

(a) A generating facility's point of common coupling must be on a portion of the public utility's distribution system which is under the interconnection jurisdiction of the commission and not be on a transmission line.

(b) For interconnection of a proposed generating facility to a radial distribution circuit, the aggregate generation on the distribution circuit, including the proposed generating facility, must not exceed 15 percent of the distribution circuit's total highest annual peak load, as measured at the substation. For the purposes of this subsection, annual peak load will be based on measurements taken over the 60 months previous to the submittal of the application, measured for the circuit at the nearest applicable substation.

(c) The proposed generating facility, in aggregation with other generation on the distribution circuit to which the proposed generating facility will interconnect, must not contribute more than 10 percent to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of common coupling.

(d) If the proposed generating facility is to be connected to a single-phase shared secondary, the aggregate generation capacity connected to the shared secondary, including the proposed generating facility, must not exceed 20 kilowatts.

(e) If a proposed single-phase generating facility is to be connected to a transformer center tap neutral of a 240 volt service, the addition of the proposed generating facility must not create a current imbalance between the two sides of the 240 volt service of more than 20 percent of nameplate rating of the service transformer.

(f) No construction of facilities by the public utility on its own system shall be required to accommodate the generating facility.

(g) The aggregate generation capacity on the distribution circuit to which the proposed generating facility will interconnect, including the capacity of the proposed generating facility, must not cause any distribution protective equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or customer equipment on the electric distribution system, to exceed 90 percent of the short circuit interrupting capability of the equipment. In addition, a proposed generating facility must not be connected to a circuit which already exceeds 90 percent of the circuit's short circuit interrupting capability, prior to interconnection of the facility.

(h) Interconnection Type Screen:

(i) For a proposed generating facility connecting to a three-phase, three wire primary public utility distribution line, a three-phase or single-phase generator must be connected phase-to-phase.

(ii) For a proposed generating facility connecting to three-phase, four wire primary public utility distribution line, a three-phase or single-phase generator must be connected line-to-neutral and must be effectively grounded.

(i) If there are known or posted transient stability limitations to generating units located in the general electrical vicinity of the proposed point of common coupling, including, but not limited to within three or four transmission voltage level busses, the aggregate generation capacity, including the proposed generating facility, connected to the distribution low voltage

side of the substation transformer feeding the distribution circuit containing the point of common coupling may not exceed 10 megawatts.

(j) If a proposed generating facility's point of common coupling is on a spot network, the proposed generating facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, must not exceed the smaller of five percent of a spot network's maximum load.

Rule 746-312-8. Level 1 Interconnection Review

(1) A generating facility which meets the following criteria is eligible for Level 1 interconnection review:

(a) the generating facility is inverter-based; and

(b) the generating facility has a capacity of 25 kilowatts or less.

(2) A public utility shall process, evaluate, and approve, if appropriate, all Level 1 interconnection requests according to this Subsection unless a public utility has implemented a process ensuring notification of approval or denial of a completed Level 1 interconnection request within 15 business days of receipt of the interconnection request, or the public utility completes final approval of a Level 1 interconnection request within 15 business days of receipt of an interconnection request, or the public utility has received approval from the commission for an alternate Level 1 interconnection review method

(a) The public utility shall date and time stamp each interconnection request on the day it was received by the public utility.

(b) Within three business days after receipt, the public utility shall acknowledge to the interconnection customer receipt of the interconnection request.

(c) Within 10 business days after receipt, the public utility shall evaluate the interconnection request and notify the interconnection customer whether the interconnection request is complete.

(i) If the interconnection request is not complete the public utility must provide a list detailing all information that must be provided to complete the application.

(ii) Within 10 business days of receipt of this notification, the interconnection customer must submit the missing information to the public utility or request an extension of time to provide such information. If the interconnection customer does not provide the listed information or request an extension of time within the 10 business day deadline, the interconnection request shall be deemed withdrawn.

(iii) An interconnection request shall be deemed complete upon submission of the listed information.

(d) Within 15 business days after issuing a notification of completeness, the public utility shall verify, using screens set forth in Section R746-312-7, whether or not the proposed generating facility can be interconnected safely and reliably, and shall notify the interconnection customer either:

(i) the generating facility meets all applicable criteria and the interconnection request is approved; or

(ii) the generation facility has failed to meet one or more of the applicable criteria, the reason for the failure, and the interconnection request is denied under the Level 1 interconnection process. If the interconnection request is denied the interconnection customer may resubmit the application under the Level 2 or Level 3 interconnection review procedure, as appropriate.

(e) Either along with or within five business days after notifying the interconnection customer that the interconnection request has been approved, a public utility must provide the procedures, requirements, and associated forms, including any required standard form interconnection agreement, for final authorization of the interconnection, as determined applicable by the public utility. These procedures and requirements may include:

(i) completion of any required inspection of the generating facility by the building code official with jurisdiction over the generating facility and transmittal to the public utility of appropriate documentation;

(ii) transmittal to the public utility of any required notice of completion, notice of start-up, and/or interconnection agreement;

(iii) installation of any required meter modification by the public utility;

(iv) completion of any required inspection of the generation facility prior to operation by the public utility; and/or

(v) the requirement that the applicant may not begin parallel operations of the generating facility until receipt of a final approval or authorization of interconnection.

(f) If a public utility does not notify a Level 1 interconnection customer in writing or by electronic mail whether the interconnection request is approved or denied within 25 business days after the receipt of an application, the interconnection request shall be deemed approved.

(3) An interconnection customer must notify the public utility of the anticipated start date for operation of the generating facility at least ten business days prior to starting operation, either through the submittal of the interconnection agreement, a notice of completion, or in a separate notice.

(4) Within 10 business days of receipt of all required documentation (e.g., executed interconnection agreement, notice of completion, and/or documentation of satisfactory completion of inspections by non-company personnel), the public utility must, if it has not already done so, conduct any company-required inspection or witness test, set the new meter, if required, approve the interconnection, and provide written notification to the interconnection customer of the final interconnection authorization/approval indicating the generating facility is authorized/approved for parallel operation. If the public utility does not conduct the witness test within 10 business days or by mutual agreement of the parties, the witness test is deemed waived.

(5) Witness Test Not Acceptable. If the witness test is conducted and is not acceptable to the public utility, the interconnection customer must be granted a period of 30 business days to resolve any deficiencies. The Parties may mutually agree to extend the time period for resolving any deficiencies. If the interconnection customer fails to address and resolve the deficiencies to the satisfaction of the public utility within the agreed upon time period, the interconnection request is deemed withdrawn.

Rule 746-312-9. Level 2 Interconnection Review

(1) A generating facility which meets the following criteria is eligible for Level 2 interconnection review by a public utility:

(a) the generating facility has a capacity of two megawatts or less; and

(b) the generating facility does not qualify for or fails to meet applicable Level 1 interconnection review procedures.

(2) A public utility must process, evaluate, and approve, if so determined, all Level 2 requests for interconnection according to the following steps unless a public utility has implemented a

process ensuring notification of approval or denial of a completed Level 2 interconnection request within 15 business days of receipt of the interconnection request, the public utility completes final approval of a Level 2 interconnection request within 15 business days of receipt of an interconnection request, or the public utility has received approval from the commission for an alternate Level 2 interconnection review method:

(a) The public utility shall date and time stamp each interconnection request on the day it was received by the public utility.

(b) Within three business days after receipt of an interconnection request, the public utility shall acknowledge to the interconnection customer receipt of the interconnection request.

(c) Within 10 business days after receipt of an interconnection request, the public utility shall evaluate the interconnection request and notify the interconnection customer whether or not the interconnection request is complete.

(i) If the interconnection request is not complete the public utility must provide a list detailing all information that must be provided to complete the application.

(ii) Within 10 business days of receipt of this notification, the interconnection customer must submit the missing information to the public utility or request an extension of time to provide such information. If the interconnection customer does not provide the listed information or request an extension of time within the 10 business day deadline, the interconnection request shall be deemed withdrawn.

(iii) An interconnection request shall be deemed complete upon submission of the listed information.

(d) Within 15 business days after issuing a notification of completeness, the public utility shall verify, using the screens set forth in Section R746-312-7, whether or not the proposed generating facility can be interconnected safely and reliably, and shall notify the interconnection customer either:

(i) the generation facility meets all applicable criteria and the interconnection request is approved;

(ii) although the generating facility fails one or more of the screens, the public utility has determined that the generating facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards and the interconnection request is approved; or

(iii) the generation facility has failed to meet one or more of the screens and the reason for the failure(s), the public utility has not or could not determine from the initial reviews that the generating facility may be interconnected consistent with safety, reliability, and power quality standards, or the generating facility cannot be approved without minor modifications at minimal cost and the interconnection request is denied unless the interconnection customer is willing to consider minor modifications or further study.

(e) If the interconnection request is denied, the public utility:

(i) must offer to provide the interconnection customer with the opportunity to attend an optional customer options meeting to be convened within 10 business days of the notification of denial to discuss the options available under Subsection R746-312-9(2)(e)(ii).

(A) During the customer options meeting the public utility shall review possible interconnection customer facility modification or screen analysis and related results to determine what further steps are needed to permit the generating facility to be connected safely and reliably.

(ii) shall either at the time of the notification specified in Subsection R746-213-9(2)(d)(iii), or at the customer options meeting:

(A) offer to complete facility modifications or minor modifications to the public utility's distribution system and provide a non-binding good faith estimate of the cost and time-frame to make such modifications. If the interconnection customer agrees to such modifications, the interconnection customer shall agree in writing within 15 business days of the offer and submit payment for the estimated costs. The interconnection customer must pay any cost that exceeds the estimated costs within 20 business days of receipt of the invoice. If the costs to complete the modifications are less than the estimated costs, the public utility shall return such excess within 20 business days of the issuance of the invoice without interest;

(B) offer to perform a supplemental review in accordance with Subsection R746-312-9(3) if the public utility concludes that the supplemental review might determine that the generating facility could continue to qualify for interconnection pursuant to the Level 2 process, and provide a non-binding good faith estimate of the costs of such review; or

(C) obtain the interconnection customer's agreement to continue evaluating the interconnection request under the Level 3 process.

(f) Either along with or within five business days after notifying the interconnection customer that the interconnection request has been approved, a public utility shall provide the procedures, requirements, and associated forms, including any required standard form interconnection agreement, for final authorization of the interconnection, as determined applicable by the public utility. These procedures and requirements may include:

(i) an inspection of the generating facility by the building code official with jurisdiction over the generating facility and transmittal to the public utility of appropriate documentation;

(ii) transmittal to the public utility of any required notice of completion, notice of start-up, and/or interconnection agreement;

(iii) installation of any required meter modification by the public utility;

(iv) completion of any required inspection of the generation facility prior to operation by the public utility; and/or

(v) the requirement that the applicant may not begin parallel operations of the generating facility until receipt of a final approval or authorization of interconnection.

(3) Supplemental Review:

(a) If the interconnection customer agrees to a supplemental review, the interconnection customer shall agree in writing within 15 business days of the offer, and submit a deposit of the estimated costs. The interconnection customer shall be responsible for the public utility's actual costs for conducting the supplemental review. The interconnection customer must pay any review costs that exceed the deposit within 20 business days of receipt of the invoice. If the deposit exceeds the invoiced costs, the public utility shall return such excess within 20 business days of the invoice without interest.

(b) Within 10 business days following receipt of the deposit for supplemental review, the public utility must determine whether the generating facility can or can not be interconnected safely and reliably and shall notify the interconnection customer either:

(i) the generation facility can be safely and reliably interconnected and the interconnection request is approved and the public utility shall proceed according to Subsection R746-312-9(2)(f);

(ii) interconnection customer facility modifications are required to allow the generating facility to be interconnected consistent with safety, reliability and power quality standards. Upon receipt of written confirmation that the interconnection customer agrees to make the

necessary changes at the interconnection customer's expense, the public utility shall approve the interconnection request and proceed according to Subsection R746-312-9(2)(f);

(iii) minor modification to the public utility's distribution system are required to allow the generating facility to be interconnected consistent with safety, reliability and power quality standards. After confirmation that the interconnection customer agrees to pay the costs of such system modifications prior to interconnection, the public utility shall approve the interconnection request and proceed according to Subsection R746-312-9(2)(f);

(iv) the results of the supplemental review have not concluded that the generating facility can be interconnected consistent with safety, reliability, and power quality standards and, upon agreement by the interconnection customer, the interconnection request will continue to be evaluated under the Level 3 interconnection review process.

(4) An interconnection customer must notify the public utility of the anticipated testing and inspection date for the generating facility at least ten business days prior to testing, either through the submittal of the interconnection agreement, a notice of completion, or in a separate notice.

(5) Within 10 business days of receipt of all required documentation (e.g., executed interconnection agreement, notice of completion, and/or documentation of satisfactory completion of inspections by non-company personnel), the public utility must, if it has not already done so, conduct any company-required inspection, set the new meter, if required, approve the interconnection, and provide written notification to the interconnection customer of the final interconnection authorization/approval and that the generating facility is authorized/approved for parallel operation. If the public utility does not conduct the witness test within 10 business days or by mutual agreement of the parties, the witness test is deemed waived.

(6) If an application for Level 2 interconnection review is denied because it does not meet one or more of the requirements in this section, the applicant may resubmit the application under the Level 3 interconnection review procedure.

(7) Witness Test Not Acceptable. If the witness test is conducted and is not acceptable to the public utility, the interconnection customer must be granted a period of 45 business days to resolve any deficiencies. The parties may mutually agree to extend the time period for resolving any deficiencies. If the interconnection customer fails to address and resolve the deficiencies to the satisfaction of the public utility within the agreed upon time period, the interconnection request is deemed withdrawn.

Rule 746-312-10. Level 3 Interconnection Review

(1) A generating facility which meets the following criteria is eligible for Level 3 interconnection review:

(a) the generating facility has a capacity of greater than two megawatts but no larger than 20 megawatts;

(b) the generating facility is not certified; or

(c) the generating facility does not qualify for or failed to meet Level 1 or Level 2 interconnection review requirements.

(2) A public utility must process, evaluate, and approve, if appropriate, all Level 3 requests for interconnection according to the following steps unless the public utility has received approval from the commission for an alternate Level 3 interconnection review method:

(a) The public utility shall date and time stamp each interconnection request on the day it was received by the public utility.

(b) Within three business days after receipt of an interconnection request, the public utility shall acknowledge to the interconnection customer receipt of the interconnection request.

(c) Within 10 business days after receipt of an interconnection request, the public utility shall evaluate the interconnection request and notify the interconnection customer whether or not the interconnection request is complete.

(i) If the interconnection request is not complete the public utility must provide a list detailing all information that must be provided to complete the application.

(ii) Within 10 business days of receipt of this notification, the interconnection customer must submit the missing information to the public utility or request an extension of time to provide such information. If the interconnection customer does not provide the listed information or request an extension of time within the 10 business-day deadline, the interconnection request shall be deemed withdrawn.

(iii) An interconnection request shall be deemed complete upon submission of the listed information.

(d) Scoping Meeting. If requested, a scoping meeting shall be held as follows within 10 business days after the interconnection request is deemed complete, or as otherwise mutually agreed to by the parties:

(i) The public utility and the interconnection customer shall bring to the meeting personnel, including system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting;

(ii) The purpose of the scoping meeting is to:

(A) discuss the interconnection request and review existing studies relevant to the interconnection request; and

(B) discuss whether the public utility should perform a feasibility study or proceed directly to a system impact study, a facilities study, or an interconnection agreement;

(iii) Scoping meeting follow-up:

(A) If the parties agree that a feasibility study should be performed, the public utility shall provide the interconnection customer as soon as possible, but no later than five business days after the scoping meeting, a feasibility study agreement including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

(B) If the parties agree not to perform a feasibility study, the public utility shall, no later than five business days after the scoping meeting, provide the interconnection customer with a system impact study agreement including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

(iv) The scoping meeting may be omitted by mutual agreement. If the scoping meeting is omitted, the public utility, if requested by the interconnection customer, must provide information pertinent to the interconnection request, such as the available fault current at the proposed interconnection location, the peak loading on the lines in the general vicinity of the generating facility, and the configuration of the distribution lines at the proposed point of common coupling, within 10 business days after the interconnection request is deemed complete.

(e) Feasibility Study. A feasibility study shall provide a preliminary evaluation of the system impact which would result from interconnecting the generating facility and the cost of interconnecting the generating facility to the public utility's electric distribution system and shall be completed as follows:

(i) For interconnection customers opting to forego a scoping meeting and proceeding directly to the feasibility study, the public utility shall provide the interconnection customer, as soon as possible but no later than 10 business days after receipt of a completed application, a standard form feasibility study agreement including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

(ii) In order to remain in consideration for interconnection, an interconnection customer who has requested or requires a feasibility study, either as part of or independent of a scoping meeting, must return the executed feasibility study agreement within 30 business days of receipt. A deposit of the lesser of 50 percent of the good faith estimate or earnest money of \$1,000 may be required from the interconnection customer.

(iii) Within 30 business days of receipt of an executed study agreement and payment of any required deposit, the public utility shall conduct the feasibility study and notify the interconnection customer either:

(A) the feasibility study shows no potential for adverse system impacts, no facilities are required, and the interconnection request is approved, in which case the public utility shall send the interconnection customer an executable interconnection agreement within five business days;

(B) the feasibility shows no potential for adverse system impacts however additional facilities may be required and the review process shall proceed to a facilities study, in which case the public utility shall provide the interconnection customer a standard form facilities study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study within five business days; or

(C) the feasibility study shows the potential for adverse system impacts, and the review process shall proceed to a system impact study, in which case the public utility shall provide the interconnection customer with a standard form system impact study agreement including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study within 15 business days of transmittal of the feasibility study report.

(iv) Any study fees will be invoiced to the interconnection customer after the study is completed and delivered and will include a summary of professional time. The interconnection customer must pay any study costs that exceed the deposit without interest within 30 calendar days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the public utility shall refund such excess within 30 calendar days of the invoice without interest.

(f) System Impact Study. Any required system impact study(s) must be conducted in accordance with good utility practice and shall be completed as follows:

(i) The system impact study shall:

(A) provide details on the impacts to the electric distribution system which would result if the generating facility were interconnected without modifications to either the generating facility or to the electric distribution system;

(B) identify any modifications to the public utility's electric distribution system necessary to accommodate the proposed interconnection;

(D) focus on power flows and utility protective devices, including control requirements;
and

(E) include the following elements, as applicable:

(I) a load flow study;

(II) a short-circuit study;

(III) a circuit protection and coordination study;

(IV) the impact on the operation of the electric distribution system;
(V) a stability study, along with the conditions that would justify including this element in the impact study;

(VI) a voltage collapse study, along with the conditions that would justify including this element in the impact study; and

(VII) additional elements, if justified and approved in writing by the commission prior to the impact study.

(ii) In order to remain in consideration for interconnection, an interconnection customer who has requested a system impact study, either as part of or independent of a scoping meeting or feasibility study, must return the executed impact study agreement(s) within 30 business days of receipt of the agreement. A deposit of the good faith estimated costs for each system impact study may be required from the interconnection customer.

(iii) After the applicant executes the system impact study agreement and pays any required deposit, the public utility shall complete the impact study and distribute the results to the interconnection customer within 30 business days or 45 business days for transmission impact studies, notifying the interconnection customer either:

(A) Only minor modifications to the public utility's electric distribution and/or transmission system are necessary to accommodate interconnection. In such a case, the public utility must:

(I) provide to the interconnection customer at the same time the detail of the scope of the necessary modifications, a non-binding, good faith estimate of their cost, and an executable interconnection agreement; and

(II) approve the interconnection request upon receipt from the interconnection customer the executed interconnection agreement.

(B) Modifications to the public utility's electric distribution system and/or transmission system are necessary to accommodate the proposed interconnection in which case the public utility must provide at the same time either:

(I) a non-binding, good faith estimate of the cost of the modifications, if known, and

(II) a standard form facilities study agreement including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study.

(iv) If the proposed interconnection may affect electric transmission or delivery systems other than those controlled by the public utility, operators of those other systems may require additional studies to determine the potential impact of the interconnection on those systems. If such additional studies are required, the public utility must coordinate the studies but will not be responsible for their timing. The applicant shall be responsible for the costs of any such additional studies required by another affected system. Such studies will be conducted only after the applicant has provided written authorization.

(v) Any study fees will be invoiced to the interconnection customer after the study is completed and delivered and will include a summary of professional time. The interconnection customer must pay any study costs that exceed the deposit without interest within 30 calendar days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the public utility shall refund such excess within 30 calendar days of the invoice without interest.

(g) Facilities Study. The results of the facilities study shall specify a non-binding good faith cost estimate of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusion of the system impact study(s) in order for the

interconnection customer to safely interconnect the generating facility with the public utility's electric distribution system and the time required to build and install those facilities. The following provisions apply to the facilities study:

(i) A public utility may require a deposit of the good faith estimated costs for the facilities study.

(ii) In order to remain under consideration for interconnection, the interconnection customer must return the executed facilities study agreement and any required deposit, or request an extension of time, within 30 business days.

(iii) Design for any required interconnection facilities and/or upgrades shall be performed under the facilities study agreement. The public utility may contract with consultants to perform activities required under the facilities study agreement. The interconnection customer and the public utility may agree to allow the interconnection customer to separately arrange for the design of some of the interconnection facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by the public utility under the provisions of the facilities study agreement. If the parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the public utility shall make sufficient information available to the interconnection customer in accordance with confidentiality and critical infrastructure requirements to permit the interconnection customer to obtain an independent design and cost estimate for any necessary facilities.

(iv) In cases where upgrades are required, the facilities study must be completed and the facilities study report transmitted to the interconnection customer's within 45 business days of the public utilities receipt of the facilities study agreement from the interconnection customer. In cases where no upgrades are necessary, and the required facilities are limited to interconnection facilities, the facilities study must be completed and the facilities study report transmitted to the interconnection customer in 30 business days of the public utilities receipt of the facilities study agreement from the interconnection customer. The report and any ensuing interconnection agreement must list the conditions and facilities necessary for the generating facility to safely interconnect with the public utility's electric distribution system, and must include a non-binding, good faith estimate of the cost of those facilities and the estimated time required to build and install those facilities.

(iv) Upon completion of the facilities study and receipt of agreement of the interconnection customer to pay for interconnection facilities and upgrades identified in the facilities study, the public utility shall approve the interconnection request.

(v) Any study fees will be invoiced to the interconnection customer after the study is completed and delivered and will include a summary of professional time. The interconnection customer must pay any study costs that exceed the deposit without interest within 30 calendar days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the public utility shall refund such excess within 30 calendar days of the invoice without interest.

(h) Either prior to, along with or within five business days after notifying the interconnection customer that the interconnection request has been approved, a public utility must provide the procedures, requirements, and associated forms, for final authorization of the interconnection, as determined applicable by the public utility. These procedures and requirements may include:

(i) completion of any required inspection of the generating facility by the building code official with jurisdiction over the generating facility and transmittal to the public utility of appropriate documentation;

(ii) transmittal to the public utility of any required notice of completion, notice of start-up, and/or interconnection agreement.

(iii) installation of any required meter modification by the public utility;

(iv) completion of any required inspection of the generating facility prior to operation by the public utility; and/or

(v) the requirement that the applicant may not begin parallel operations of the generating facility until receipt of a final approval or authorization of interconnection.

(3) An interconnection customer must notify the public utility of the anticipated testing and inspection date of the generating facility at least ten business days prior to testing, either through the submittal of the interconnection agreement, a notice of completion, or in a separate notice.

(4) Within 10 business days of receipt of all required documentation (e.g., executed interconnection agreement, notice of completion, and/or documentation of satisfactory completion of inspections by non-company personnel), the public utility must, if it has not already done so, conduct any company-required inspection or witness test, set the new meter, if required, approve the interconnection, and provide written notification to the interconnection customer of the final interconnection authorization/approval and that the generating facility is authorized/approved for parallel operation. If the public utility does not conduct the witness test within 10 business days or by mutual agreement of the parties, the witness test is deemed waived.

(5) Witness Test Not Acceptable: If the witness test is conducted and is not acceptable to the public utility, the interconnection customer must be granted a period of 60 business days to resolve any deficiencies. The parties may mutually agree to extend the time period for resolving any deficiencies. If the interconnection customer fails to address and resolve the deficiencies to the satisfaction of the public utility within the agreed upon time period, the interconnection request is deemed withdrawn.

Rule 746-312-11. Interconnection Metering

(1) Metering: For generating facilities not subject to the provisions of Section 54-15, the interconnection customer shall be responsible for the cost of the purchase and installation of any special metering and data acquisition equipment deemed necessary by the terms of the interconnection agreement unless the public utility determines otherwise. The public utility must install, maintain and operate the metering equipment. The parties must mutually grant unrestricted access to such equipment as may be necessary for the purposes of conducting routine business.

(2) For generating facilities subject to the provisions of Section 54-15, metering equipment and costs for such metering equipment shall be determined as specified in Section 54-15-103. The public utility must install, maintain and operate the metering equipment. The parties must mutually grant unrestricted access to such equipment as may be necessary for the purposes of conducting routine business.

Rule 746-312-12. Interconnection Monitoring

(1) Generating facilities approved and interconnected to the public utility under the Level 1 and Level 2 interconnection review processes, and generating facilities with nameplate capacities of

3 megawatts or less approved under the Level 3 interconnection review process, except as noted herein, are not required to provide for remote monitoring of the electric output by the public utilities.

(2) Generating facilities approved under Level 3 Interconnection Applications with Electric Nameplate Capacities greater than 5 MW or Level 3 Interconnection Applications where the aggregated generation on the circuit, including the interconnection customer's generating facility, would exceed 50 percent of the line section annual peak load may be required to provide remote monitoring at the public utility's discretion if the public utility has required such monitoring of its own facilities.

(3) If a public utility determines monitoring data provided by telemetry is necessary for safe, reliable and efficient operations of a proposed generating facility with an electric nameplate capacity of greater than 3 megawatts to 5 megawatts, the public utility may petition the commission on a case by case basis to impose monitoring and telemetry requirements such facilities. Any such petition must be accompanied by evidence supporting telemetry needs and requirements.

(4) For generating facilities required to provide remote monitoring pursuant to Subsections R746-312-12(2) and (3), the data acquisition and transmission to a point where it can be used by the public utility's control system operations must meet the performance based standards as follows:

(a) Any data acquisition and telemetry equipment required by this rule must be installed, operated and maintained at the interconnection customer's expense.

(b) Telemetry requirements:

(i) parties may mutually agree to waive or modify any of the telemetry requirements contained herein.

(ii) the communication must take place via a Private Network Link using a Frame Relay or Fractional T-1 line or other such suitable device. Dedicated Remote Terminal Units, from the generating facility to the public utility's substation and Energy Management System are not required.

(iii) a single communication circuit from the generating facility to the public utility is sufficient.

(iv) communications protocol must be DNP 3.0 or other standard used by the public utility.

(v) the generating facility must be capable of sending telemetric monitoring data to the public utility at a minimum rate of every 2 seconds (from the output of the generating facility's telemetry equipment to the public utility's energy management system).

(vi) the minimum data points that a generator facility is required to provide telemetric monitoring to the public utility are:

(A) net real power flowing out or into the generating facility (analog);

(B) net reactive power flowing out or into the generating facility (analog);

(C) bus bar voltage at the point of common coupling (analog);

(D) data processing gateway (DPG) heartbeat (used to certify the telemetric signal quality); and

(E) on-line or off-line status (digital).

(vii) If an interconnection customer operates the equipment associated with the high voltage switchyard interconnecting the generating facility to the public utility's distribution system, and is required by to provide monitoring and telemetry, the interconnection customer

must provide the following monitoring to the public utility in addition to provisions in Subsection R746-312-12(4)(b)(vi):

- (A) switchyard line and transformer MW and MVAR values;
- (B) switchyard bus voltage; and
- (C) switching devices status

Rule 746-312-13. Interconnection Fees and Charges

(1) For Level 1 interconnection review:

(a) A public utility whose rates are determined by the commission may not charge an application, or other fee, to an applicant that requests Level 1 interconnection review. However, if an application for Level 1 interconnection review is denied because it does not meet the requirements for Level 1 interconnection review, and the applicant resubmits the application under the Level 2 or Level 3 review procedure, the public utility may impose a fee for the resubmitted application, consistent with this section.

(b) All other public utilities may determine reasonable fees or charges for interconnection, however for those interconnections which fall under the provisions of Section 54-15, the fees must be determined in accordance with Section 54-15-105.

(2) For a Level 2 interconnection review

(a) A public utility whose rates are determined by the commission may charge fees of up to \$50.00 plus \$1.00 per kilowatt of the generating facility's capacity to cover the costs of the interconnection request review, plus the reasonable cost of any required minor modifications to the electric distribution system or additional reviews. Costs for such minor modifications or additional review will be based on the public utility's non-binding, good faith estimates and the ultimate actual installed costs. Costs for engineering work done as part of any additional review or studies shall not exceed \$100.00 per hour. A public utility may adjust the \$100.00 hourly rate once each year to account for inflation and deflation.

(3) For a Level 3 interconnection review

(a) A public utility whose rates are determined by the commission may charge fees of up to \$100.00 plus \$2.00 per kilowatt of the generating facility's capacity, as well as charges for actual time spent on any required impact or facilities studies. Costs for engineering work done as part of a feasibility, impact, or facilities study shall not exceed \$100.00 per hour. A public utility may adjust the \$100.00 hourly rate once each year to account for inflation and deflation as measured by the 12 months unadjusted Consumer Price Index for all items calculated for December of the previous year. If the public utility must install facilities in order to accommodate the interconnection of the generating facility, the cost of such facilities shall be the responsibility of the applicant.

Rule 746-312-14. Requirements After Interconnection Approval

(1) A public utility may not require an applicant whose facility meets the criteria for interconnection approval under the Level 1 or Level 2 interconnection review procedures to perform or pay for additional tests, except if agreed to by the applicant. In addition, a public utility may not require an interconnection customer whose net metering generating facility is in compliance with Section 54-15-106 to perform or pay for additional tests.

(2) A public utility may not charge any fee or other charge for connecting to the public utility's distribution system or for operation and maintenance of a generating facility for the purposes of

generating electricity, except for the fees provided for under this interconnection rule and approved standard form agreements or determined by the governing authority.

(3) Once an interconnection has been approved under this interconnection rule, the public utility may not require an interconnection customer to test or perform maintenance on its facility except for the following and subject to the provision of Section 54-15-106:

(a) any manufacturer-required testing or maintenance;

(b) any post-installation testing necessary to ensure compliance with IEEE standards or to ensure safety;

(c) the interconnection customer replaces a major equipment component that is different from the originally installed model; and/or

(d) an annual test to be performed at the discretion of and paid for by the public utility in which the generating facility is disconnected from the public utility's equipment to ensure the inverter stops delivering power to the grid.

(4) When an approved generating facility undergoes maintenance or testing in accordance with the requirements of this interconnection rule, the interconnection customer must retain written records for three years documenting the maintenance and the results of testing.

(5) A public utility has the right to inspect an interconnection customer's facility after interconnection approval is granted, at reasonable hours and with reasonable prior notice to the interconnection customer. If the public utility discovers that the generating facility is not in compliance with the requirements of this interconnection rule or executed agreements, the public utility may require the interconnection customer to disconnect the generating facility until compliance is achieved.

(6) Subsequent to becoming interconnected to a public utility the interconnection customer must notify the public utility of all proposed modifications to the generating facility or equipment package pursuant to Subsection R746-312-4(6).

Rule 746-312-15. Aggregation of Meters for Net Metering Interconnection

(1) For the purpose of measuring electricity usage under the net metering program, a public utility must, upon request from an interconnection customer, aggregate for billing purposes a meter to which the net metering facility is physically attached ("designated meter") with one or more meters ("additional meter") in the manner set out in this section. This rule is applicable only when:

(a) the additional meter is located on or adjacent to the premises of the electrical corporation's customer, subject to the electrical corporation's service requirements;

(b) the additional meter is used to measure only electricity used for the interconnection customer's requirements;

(c) the designated meter and the additional meter are subject to the same rate schedule;
and

(d) the designated meter and the additional meter are served by the same primary feeder.

(2) An interconnection customer must give at least 30 business days notice to the utility to request that additional meters be included in meter aggregation. The specific meters must be identified at the time of such request. In the event that more than one additional meter is identified, the interconnection customer must designate the ranking order for the additional meters to which net metering credits, as defined in Subsection 54-15-104(3) and approved by the governing authority, are to be applied.

(3) The aggregation of meters will apply only to charges that use kilowatt-hours as the billing determinant. All other charges applicable to each meter account shall be billed to the interconnection customer.

(4) If in a monthly billing period the net metering facility supplies more electricity to the public utility than the energy usage recorded by the interconnection customer's designated meter, the utility will apply credits, as defined in Subsection 54-15-104(3) and approved by the governing authority, to the next monthly bill for the excess kilowatt-hours first to the designated meter, then to additional meters that are on the same rate schedule as the designated meter.

(5) If an additional meter changes service to a rate schedule that is different than the designated meter, the additional meter is not eligible for net metering credits, as defined in Subsection 54-15-104(3) and approved by the governing authority, for the remainder of the billing year and until such time as the additional meter receives service on the same rate schedule as the designated meter.

(6) If the designated meter changes service to a different rate schedule, aggregation of net metering credits is not allowed for the remainder of the billing year and may not occur until such time as the additional meters receive service on the same rate schedule as the designated meter.

(7) With the governing authority's prior approval pursuant to Section 54-15-105, a public utility may charge the interconnection customer requesting to aggregate meters a reasonable fee to cover the administrative costs of this provision.

Rule 746-312-16. Public Utility Maps, Records and Reports

(1) Each public utility shall maintain current records of interconnection customer generating facilities showing size, location, generator type, and date of interconnection authorization.

(2) By July 1 of each year, the public utility shall submit to the commission an annual report with the following summary information for the previous calendar year:

(a) the total number of generating facilities approved and their associated attributes including resource type, generating capacity, and the county and zip code of generating facility location,

(b) the total rated generating capacity of generating facilities by resource type.

(c) for net metering interconnections, the total net excess generation kilowatt-hours received from interconnection customers by month.

(d) for net metering interconnections, the total amount of excess generation credits in kilowatt hours, and their associated dollar value, which have expired at the end of each annualized billing period.

Rule 746-312-17. Interconnection-related Agreements

(1) Contents of Standard Interconnection Agreement. All standard form interconnection agreements shall, at a minimum, contain the following:

(a) a requirement that the generating facility must be inspected by a local building code official prior to its operation in parallel with the public utility to ensure compliance with applicable local codes.

(b) provisions that permit the public utility to inspect interconnection customer's generating facility and its component equipment, and the documents necessary to ensure compliance with this rule. The customer shall notify the public utility as required by this rule prior to initially placing customer equipment and protective apparatus in service, and the public utility shall have the right to have personnel present on the in-service date. If the generating

system is subsequently modified in order to increase its gross power rating, the customer must notify the public utility by submitting a new application specifying the modifications in accordance with the level of review required for the application.

(c) a provision that the customer is responsible for protecting the generating equipment, inverters, protective devices, and other system components from damage from the normal and abnormal conditions and operations that occur on the public utility system in delivering and restoring power; and is responsible for ensuring that the generating facility equipment is inspected, maintained, and tested in accordance with the manufacturer's instructions to ensure that it is operating correctly and safely.

(d) a provision that the customer shall hold harmless and indemnify the public utility for all loss to third parties resulting from the operation of the generating facility, except when the loss occurs due to the negligent actions of the public utility and a provision that the public utility shall hold harmless and indemnify the customer for all loss to third parties resulting from the operation of the public utility's system, except when the loss occurs due to the negligent actions of the customer.

(e) Insurance:

(i) If an interconnection customer whose generating facility is no greater than two megawatts in size complies with the provisions of the interconnection request approval, interconnection agreement, and standards identified in Section 54-15-106, a public utility may not require that interconnection customer to purchase additional liability insurance.

(ii) all other interconnection customers are required to obtain prudent amounts of general liability insurance in an amount sufficient to protect other parties from any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of the provisions of the this rule or the interconnection agreement. Neither party may seek redress from the other party in an amount greater than the amount of direct damage actually incurred. An interconnection customer of sufficient credit-worthiness may propose to self-insure for such liabilities and such proposal shall not be unreasonably rejected.

(f) identification of any fees or charges approved pursuant to this rule or applicable law.

Key: interconnection, generating equipment, renewable energy facility, public utility

Citations: 54-4-7, 54-4-14, 54-12-2, 54-15-106